

MARSHALL: Bush's Failed Foreign Policy **INDYK:** Lost Opportunity

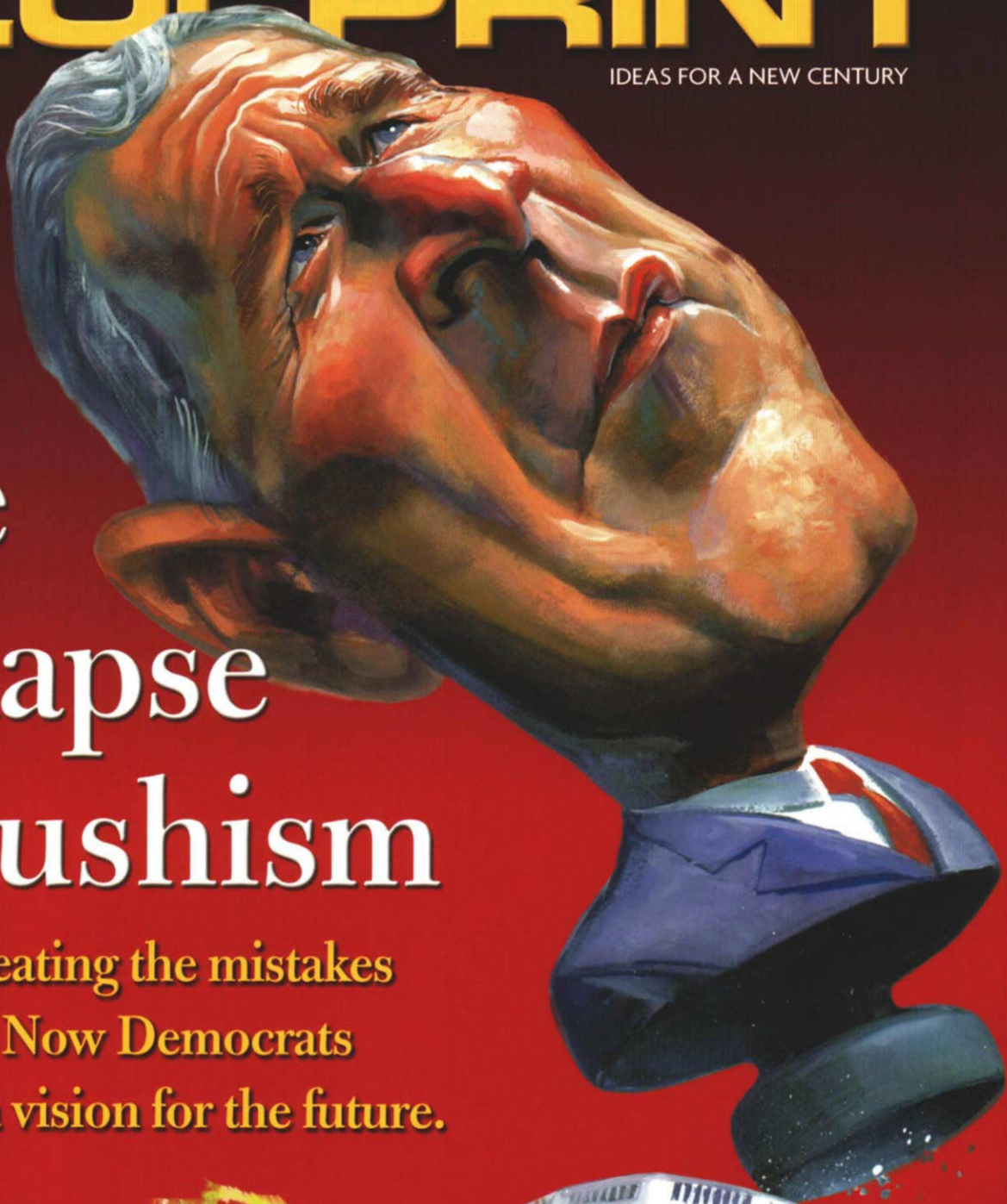
THE NEW DEMOCRAT

BLUEPRINT

IDEAS FOR A NEW CENTURY

The Collapse of Bushism

**Bush is repeating the mistakes
of the past. Now Democrats
must offer a vision for the future.**



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Is the Bush administration in danger of imploding? Nonsense, say the nonsense-sayers. But that's what they said in 1991, too, when the first President Bush was still riding the approval ratings of his war victory in Iraq. Within 11 months, Bill Clinton was elected president of the United States.

The collapse of today's Bushism is the theme of our cover article by Al From and Bruce Reed. It explains how the president has run a visionless administration that has left us with a huge deficit, bitter partisanship, 3 million lost jobs, and even a mismanaged occupation in Iraq. But for Democrats to replace the sitting president, they must offer more than caustic criticism; they must have a clear political vision that appeals to the optimistic streak in American politics, the same way Wilson, Roosevelt, Kennedy, and Clinton did.

Bush has failed not just in domestic politics, but increasingly in foreign policy as well. Despite initial early victories in the war on terror, the Bush administration is now bungling the anti-terror campaign while building up an edifice of bad national security decisions, writes Will Marshall. From North Korea to the Middle East, Bush's unreflective style and inattention to threats is making America less secure in the world, not more. Bush's disengagement from the Arab-Israeli peace process during his first year in office helped squander an opportunity for advancing reconciliation, writes Martin Indyk. A former U.S. ambassador to Israel, Indyk notes that a unique opportunity was missed when the Bush administration failed to give adequate support to Abu Mazen, the moderate Palestinian leader.

If national security is no longer Bush's strength, it certainly isn't homeland security, either. In an up-close report on New York firefighters, Harry Siegel details how the Republican administration is giving short shrift to the very institution whose ranks suffered the most deaths on 9/11, and is treating first responders everywhere as a burden to be passed on to others. Robert D. Atkinson shows how Bush administration policies have contributed to the stunning loss of more than 2 million manufacturing jobs on his watch, while simultaneously undermining programs that could revive the manufacturing sector and help displaced workers.

In American politics today, it's clearly a time for taking stock. This is exactly the juncture in the election cycle when *The New Democrat*, our predecessor publication, predicted the collapse of the first President Bush. People are reevaluating the president and polls show the nation equally divided, just as it was in the last presidential election. How Democrats go from here to a victory next November is, however, another question. One thing that won't help the cause is the continuing spread of caucuses, like Iowa's, that favor candidates who have slim hopes in national elections, as Randolph Court writes in his report.

But there is some good news, even if it's overseas. Two centrist leaders, Britain's Tony Blair and Germany's Gerhard Schröder, have recently won victories for their progressive politics—as our reports from London and Berlin explain. Parties, and countries, can be reformed, as Democrats learned in the 1990s. Now is the time to do it again.

—Peter Ross Range

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Caucuses like Iowa's shut out independents and give too much power to party activists. They become unrepresentative club meetings, senselessly handicapping Democrats.

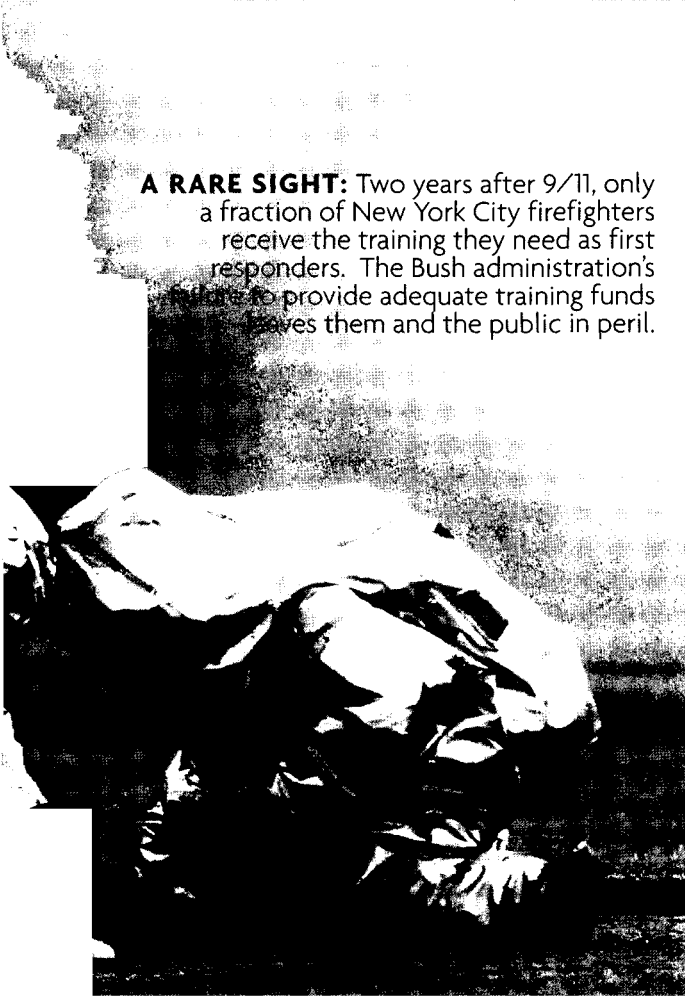


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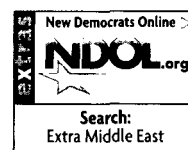
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“NDOL Extras” More on the Web



Throughout BLUEPRINT, whenever you see a box like this one, go to “New Democrats Online”—www.ndol.org—and use the search phrase (e.g., “Extra Middle East”) to find related material.

The Son Falls

Bush has given us a bigger deficit, divisive politics, huge job losses, and a squandered international victory. As Bushism collapses, Democrats must offer a positive vision that gives Americans hope.

by *Al From and Bruce Reed*



DLC Memo

TO: Future Presidents of America
FROM: Al From and Bruce Reed
SUBJECT: The Collapse of Bushism

Congratulations! The Bush economy has lost jobs faster than a Red Sox manager, but George W. Bush is doing his best to create a job for you.

In December 1991, just 10 months after the first President Bush's victory in Iraq, we predicted the "collapse of Bushism." We were so sure of our analysis—against the prevailing wisdom—that we put it on the cover of *The New Democrat*, the predecessor publication of *BLUEPRINT*. In our assessment, we foresaw "the end of Bushism, the uniquely Republican conception of the presidency as all politics and no vision. . . . It's no accident that Bushism and Communism should

Al From is founder and CEO of the Democratic Leadership Council. Bruce Reed is president of the DLC and was President Clinton's domestic policy adviser.

fall together, for the two shared a common flaw: Beneath the veneer of ideology, the thing they believed in most deeply was staying in power."

Eleven months later, Bill Clinton was elected president. George H.W. Bush's presidency had indeed collapsed.

Today, the same lust for power instead of results has brought Bushism to the brink again. George W. Bush, who was supposed to learn from his father's mistakes, has been condemned instead to repeat them. Like his father, President Bush has remarkably little to show for his time in office—except a bigger deficit, a squandered international triumph, divisive politics, huge job losses, and a broken political system. For all his efforts to escape the curse of not grasping "the vision thing," Bush the son goes into the next election without a working vision of how to solve the country's nagging problems, win the war on terror abroad, or make the economy prosper at home.

In recent months, Bush has fumbled his national security trump card and revealed the staggering weakness of the rest of his hand: an economy that has lost 3 million jobs and shipped nearly 1 million manufacturing jobs overseas; 3 million more Americans in poverty, and 4 million more uninsured; the sharpest increase in college tuition in a quarter-century; health care costs rising even faster than in the last Bush presidency, while household income keeps going down; and record deficits adding as much to the national debt in the coming year as America ran up in its first 200.

If Bush's record is dim, his agenda for the future is dimmer. Bush can still promise Social Security reform and more tax cuts in a second term, but the country is too broke to achieve them. His pledge to "change the tone in Washington" looms as hollow as his father's "kinder, gentler nation." Eventually, the United States will win in Iraq, but it's now painfully clear Bush isn't up to the job of uniting the world in the war on terror.

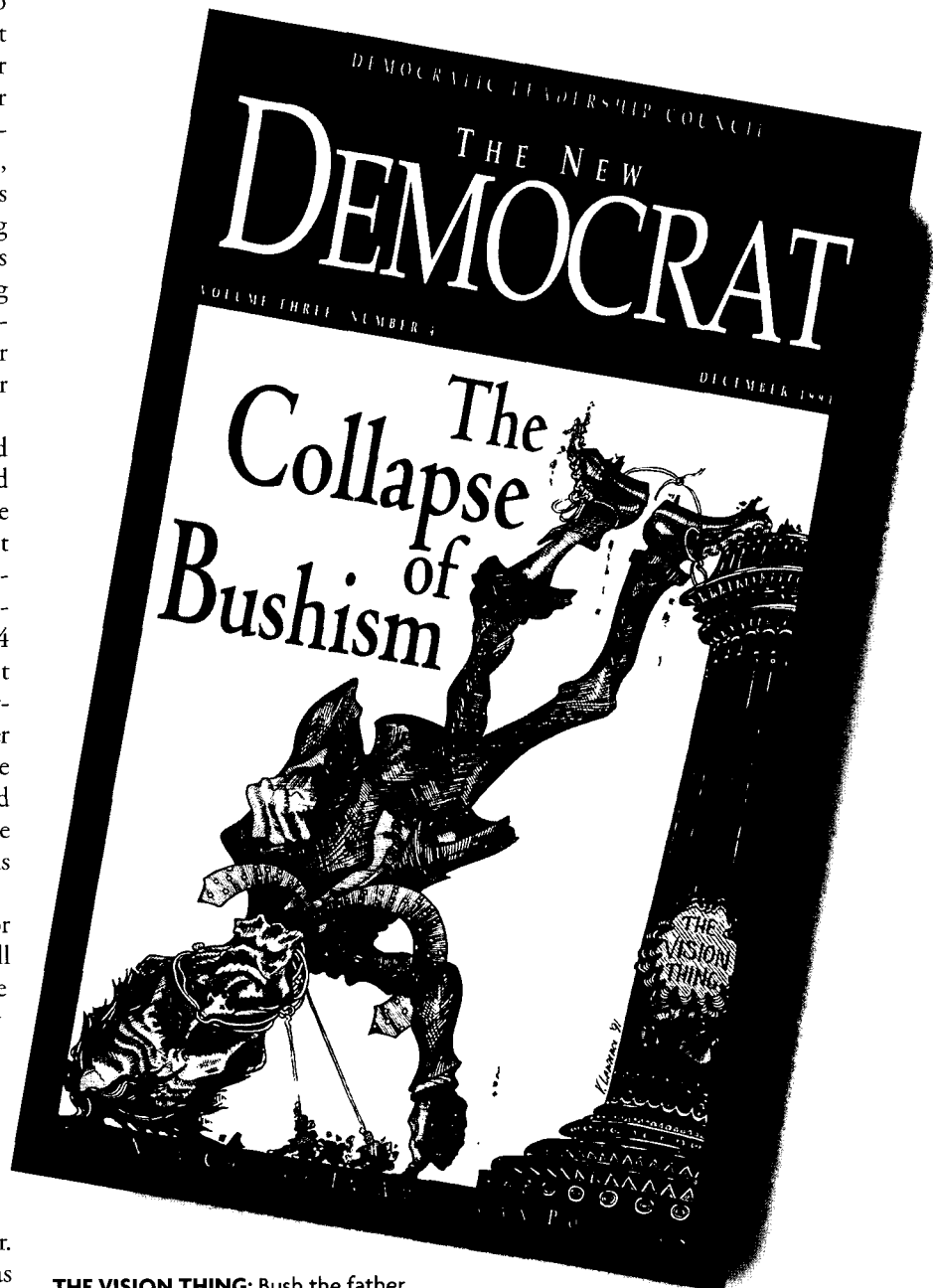
Bush, in short, is doing as much as he can to deserve to lose the next election. Now it's up to you to earn the chance to win it.

The Vision Gap

We're increasingly optimistic that you will win in 2004. Bushism has failed, and Democrats have a proven formula to solve the country's problems.

Nevertheless, for all Bush's troubles, you must still overcome the Democrats' burden: showing Americans that you will stand up for their values and economic interests and can be trusted to keep America safe in a dangerous world.

Doubts about Democrats' toughness on security issues loom larger in the wake of 9/11, but they are nothing new. Just as many Democratic leaders in the 1980s and early 1990s tried to pretend the party didn't have a problem, the single most dangerous Democratic delusion today is pretending that voters' doubts about them have gone away for good. We shouldn't kid ourselves: Bush's entire political agenda—on taxes, national



THE VISION THING: Bush the father didn't have one, and it brought him down, just as we predicted 11 years ago. The same thing is happening to Bush the son.

security, and values—is to put Democrats back in the mold that Bill Clinton worked so hard to break. Those nagging doubts will never go away if we don't keep working every day to dispel them.

Yet the nagging doubt that troubles us most is new: Most Americans don't

future. In a Google search, the phrase "Democrats attack Bush" turns up nearly 50 times as often in the past year as "Democrats offer plan."

Second, too many Democrats are afraid of change and instinctively protect old arrangements rather than modernize and reform them. For example, many of you are competing to prove how much you'll do to slow trade expansion, even though you know much of the 1990s boom depended on it.

Third, many Democrats are so jealous of the right's political success that they're offering their own Democratic brand of Bushism: the notion that you don't have to offer ways to solve the nation's problems if you're good enough at blaming them on the other guy. A recent New York Times headline from a Democratic gabfest on foreign policy captured that shortsighted view: "The Bad News Is Good News for Democrats."

What both parties too often forget is that the only way to succeed in politics over the long haul is to embrace a modern, coherent political philosophy that works. Theodore Roosevelt and Woodrow Wilson had Progressivism, Franklin Roosevelt the New Deal, Bill

Clinton "Opportunity, Responsibility, and Community." In the end, Americans will only think we have a vision if we actually offer them one.

As a candidate for the Democratic nomination, what can you do to close Democrats' vision gap? You have to address each of these Democratic shortcomings in turn.

1. Anger Management. The other recurrent delusion holding Democrats back this year is the notion that if we just offer enough red meat, a stampede of Democratic voters will emerge from an undisclosed secure location and carry us to victory. President Clinton put to rest the false choice between energizing the base and persuading swing voters by winning twice. Republicans envied Clinton's success enough to copy



THE PARTY OF HOPE: Clinton, even on a sweaty summer day, knew in 1992 that Americans were optimists who voted on their future.

think Democrats have a vision for the country. In the last Gallup poll before the 2002 midterm election, 60 percent of the electorate thought the Republicans had a vision, and only 30 percent thought Democrats had one. Even now, with Bush's policies failing badly and his popularity sinking fast, voters have so little idea of what Democrats stand for that the vision gap remains a *Republican* advantage. In the voters' eyes, Republicans have the vision, and we don't. For a Democratic Party whose mission is to solve problems, that's a shocking indictment.

Unfortunately, some Democrats give Americans three reasons to wonder whether the party has a vision: First, most Democrats would rather take the easy route of criticizing the present than the risky one of offering a new path for the

his playbook in 2000 (by retooling their party to appeal to swing voters) and in 2002 (by dramatically improving their turnout efforts). Karl Rove's strategy for 2004 is to do both: Excite conservatives with wars, judges, and tax cuts; try to fool swing voters one more time with education and prescription drugs.

While Republicans are busy copying the Clinton formula, many Democrats seem determined to forget it. Once again, Democrats are telling themselves that the party should focus on turning out voters who already agree with them, not on persuading the fence-sitters who still need convincing. So many party regulars are pushing the energize-your-base strategy that ABC's "The Note," the political insider's online bible, wrote recently that swing voters were a "1990s premise" that "may no longer be operative."

We don't care what the Atkins diet says: Too much red meat is still bad for you.

So far, the Democratic race has been a shouting match to prove who can't stand Bush the most. It turns out none of you wants to keep him in office! Together, you have successfully reassured primary voters that if elected president, you won't pass big tax cuts for the rich, appoint right-wing judges, work hard to alienate our allies, or keep John Ashcroft as attorney general. Like most Democrats, we don't like Bush either. But we don't think this election will turn on whether voters can pick you out of a lineup based on how loudly you say "miserable failure."

Every election is, in part, a referendum on the incumbent. But this is not a recall election. Americans may have growing doubts about the president's performance, but not enough are ready to join Democrats in blaming Bush for all the country's problems.

Moreover, even if 2004 were a recall election, it's not enough to win the vote on Recall Question 1. You have to give people a reason to vote for you on Recall Question 2. If you go too far trying to

make everyone hate Bush, you may only succeed in making them dislike you.

The Schwarzenegger campaign is an interesting case study. The recall of Gov. Gray Davis was a terrible idea, but the message California voters sent is not the message that many national Democrats are hearing. Americans aren't teeming with blind anger at incumbents. The real message from voters is far more pragmatic: "Do your best to solve our problems, or we'll find someone else who will."

2. Change Is Your Friend. Elections aren't about the present; they're about the future. Why should Americans think Democrats have a vision for the future when so many Democrats seem so afraid of it?

For example, we know that trade is a tough issue, especially in an economic downturn. A candidate needs to balance the clear economic need to find more markets with the clear economic hardships of people in sectors where the greater good is no current consolation. But there's no excuse for you to high-tail and run from the global economy by pretending that you can somehow reopen old trade agreements or get other nations to adopt our standards. You can't say you'll restore the economic optimism and growth of the 1990s when you're walking away from one of the engines—expanded trade—that drove the 1990s expansion.

Lawrence Summers, a former treasury

As **Bill Clinton** said in 1992, 'We're not going to get **positive** change just by **Bush-bashing**. Americans know what we are against. Let's show them **what we're for**.'

secretary, has pointed out that tariff reductions in the 1990s amounted to the "largest tax cut in the history of Planet Earth." They freed up enormous amounts of personal income for consumption and investment alike, while making our economy more productive.

Likewise, we know you're under pressure from some quarters to use Bush's failure to fund the "No Child Left Behind" legislation as an excuse to

abandon education reform altogether. That would be a tragic mistake. Making standards and accountability a national priority is the right thing to do, and it was championed by Democrats long before Bush's political handlers stumbled on it as a winning campaign issue. It represents one of Democrats' great triumphs over Newt Gingrich conservatism. Bush's failure to put up the money shows where his heart really is, and is a reason to give up on this administration, not to give up on our moral crusade to make sure every American has a first-rate public education.

It's not an accident that Americans almost always elect optimistic presidents. John Kennedy's campaign slogan was "we can do better." Ronald Reagan promised morning in America. Bill Clinton was the man from Hope who wouldn't stop thinking about tomorrow. As a candidate, even George W. Bush managed to strike a hopeful note, declaring in his announcement speech that "Americans live on the sunrise side of the mountain."

Ironically, some of you have gone dark at the very moment Bush is forsaking the sunny side. Bush can't afford to keep waiting for better times. Instead, he'll spend the next year trying to scare Americans to death, and argue they need him to keep the country safe in a dangerous world.

Keep that in mind as you make the rounds from one aggrieved interest group to another. The party regulars you meet

on the campaign trail may not like change. But most Americans, and most rank-and-file Democrats, are born optimists. They believe America can do better, and they want a president who can give them more hope, not more fear. That's why they elected and re-elected Wilson, Roosevelt, and Clinton.

The lesson most Democrats have chosen to draw from the 2002 midterm elections is that we didn't stand up to

Bush fiercely enough. While we share the frustration that too many Democrats voted for Bush's tax cut in 2001, what killed Democrats in 2002 was a different mistake. On the question foremost in voters' minds—homeland security—Democrats did stand up to Bush.



MEN OF FORESIGHT: Wilson and Roosevelt brought the country through its darkest hours with their clearly articulated visions of a better America, and a better world. Democrats can do the same today.



Unfortunately, the line they chose to draw in the sand wasn't about standing up for the safety of ordinary Americans; it was about standing up for the rights of federal workers in the new Department of Homeland Security. The White House cynically used that choice to doom Democratic incumbents from red states like Max Cleland of Georgia and Jean Carnahan of Missouri. It cost Democrats control of the U.S. Senate.

Many Americans may not trust you to stand up for the nation's interests in

the world if you're not willing to stand up to narrow interests here at home. Even more voters will simply tune you out, as just another politician. If your campaign can't shed the whiff of the past, people won't bother to listen to any new ideas you have to offer.

It takes political courage to be a party of reform, not reaction, and to outline new ways of doing things instead of simply protecting old arrangements. But we'll only get the chance to build a better future for America if we believe in one.

3. May the Best Plan Win. So far, as primary contestants are wont to do, you've spent a lot of time trying to prove that, unlike your opponents, you're a "real Democrat." That's fine for the party faithful. But the rest of America—including a big chunk of the primary electorate—wants you to answer a different question: What is a Democrat, anyway? And more important, what will America be like under a Democratic president?

We're counting on you to mix it up in the months to come, because only you can answer that question. Are we the party of reform or reaction? Do we believe in economic growth or redistribution? Will we expand the middle class, or take the middle class for granted? Do we have the courage to usher in our own responsibility era, or will we become the something-for-nothing party once again?

There's plenty of time left in this campaign: By this point 12 years ago, Bill Clinton had just joined the race. But it's not too late to heed the advice Clinton was giving his party even then. Then, as now, Democrats were angry about the direction the country had taken, and frustrated about losing elections they should have won. Clinton could easily have outshouted his primary opponents, but he knew that road led nowhere. "We're not going to get positive change just by Bush-bashing," he said in his announcement speech. "Americans know what we're against. Let's show them what we're for."

That's as true now as it was then—in fact, probably more so. Sooner or

later, the Democratic debate needs to turn from how much you dislike Bush to what you are going to do about it. Next year, when the shouting stops, voters won't be looking for someone who can take over America's problems. The country will want someone with a real plan to solve them.

If the economy improves in 2004, as we hope, the Democrats' vision will become even more important.

Bush's biggest weakness isn't his record; it's how little he has learned from it. The world has changed immensely in the past 25 years, but Republicans haven't had a new idea since Ronald Reagan. Their only economic tool is big tax cuts; their only national security plank is talking tough. Republicans refuse to fine-tune these simple theories, no matter what evidence against them turns up. If all you have is a hammer, everything looks like an angry white male.

Make no mistake: A vision is not an attitude, a summary of grievances with the incumbent, or a collection of positions taken in response to interest-group demands. Nor is it where you stand on a particular issue—or the message you repeat 20 times a day to placate your campaign consultants. A vision is a road map of where you'll take the country and the guiding principles by which you'll run it.

We know what enormous pressures you're under to tell activists and caucusgoers what they want to hear. The war, the Bush administration's cynical partisanship, and the lingering frustrations from the 2000 presidential cliffhanger have all served to energize the angriest among us. So far, the primary campaign has resembled a big therapy session for the Democratic Party. But in the end, this election isn't about our problems—it's about the country's problems. It won't do any good to make ourselves feel better if we don't offer the country a way to do better.

Your best chance to win the nomination and the presidency is to frame those ideas into a compelling, coherent vision for the country. You need to make clear that what's at stake in this elec-

tion is not just a pile of programs, it's a set of convictions.

We can't speak for you, but here's our vision for America: We believe the purpose of America is to give everyone the chance to get ahead, not to narrow the gates of privilege. We believe in expanding opportunity, not bureaucracy, and in economic growth, not redistribution. From education to health care to national service, we should offer every citizen a new bargain of more opportunity in return for more responsibility, not a return to the extremes of something for nothing, on the one hand, or every man for himself, on the other. We believe in a strong American role in the world that earns respect, not enmity. Above all, we believe in putting our economy in line with our values, so that the middle class and working poor have the chance to prosper, not sacrifice their dreams so that America can become the world's largest tax shelter for the rich.

On taxes, some in our party still believe that middle-class Americans won't mind us raising their taxes to pay for programs that poll well. We must not forget that our real goal is to expand opportunity, not programs, and that the answer to a Republican administration that has made middle-class incomes stop growing isn't a Democratic promise to send their taxes shooting up. More important, we believe that the Bush administration is out to destroy the idea that built this country—that hard work is the ticket to a better life.

believe that Americans are willing to pay any price and bear any burden to achieve universal coverage. We believe in expanding access to health care, especially for children, but in asking more responsibility from parents in return.

On national security, some in our party believe that all we have to say on Iraq is "I told you so." To the contrary, Democrats must show their commitment to staying the course and winning in Iraq. We believe, as Tony Blair has said, that the gravest threat to our future is weapons of mass destruction in the hands of terrorists or rogue states. Whatever anyone thought before, this isn't Bush's war now, it's America's war, and the free world's war on terror.

We prefer New Democrats, but here's an old Democrat with a vision that still rings true 175 years later: Andrew Jackson. Parts of Jackson's résumé will look familiar to many of you: He served as a general; grew up in North Carolina; stood tall and handsome, with a long face; and even lost a presidential election despite getting the most votes. But Jackson's words are what we remember. Our mission, he said, is "equal opportunity for all, special privilege for none."

That's the mission we'll never get from George W. Bush. That's the reason Bushism is collapsing. Most important, that's the vision our party and our country need, and the kind of president we hope you'll set out to be.

“From **education** to health care to national service, we **should offer** every citizen a new bargain of **more opportunity** in return for **more responsibility**, not a return to the extremes of something for nothing, or **every man for himself**.”

If Bush has his way, the only Americans paying taxes will be the ones who work the hardest. America's economy won't grow unless the middle class grows. We should make it easier for all Americans to rise, by opening the doors of college to all who are willing to work or serve, and giving the middle class incentives to save and own a piece of the rock.

On health care, some in our party still

For two years, pundits told us that Bush couldn't lose. Today it's clear that he can. But Bush could still survive if we let him put us back in that old liberal stereotype and fail to offer a compelling new vision of our own. If we tell the American people exactly what we'll do for the country, and what we'll ask of them, the 2004 election is no longer Bush's to lose. It's Democrats' to win. ♦

Job

Bush's retrograde economic policies have helped decimate manufacturing jobs. More than 2 million have been lost since 2001. Democrats can offer a brand new vision.

| by **Robert D. Atkinson**

Under President Bill Clinton, the U.S. economy created 257,000 manufacturing jobs. Under President George W. Bush, it has so far shed nearly 10 times that number. A significant percentage of the jobs have been lost due to productivity advances, which, while painful for displaced workers, are nonetheless good for the overall economy. But an even bigger share has been lost due to a falloff in demand for manufactured goods and escalating trade deficits—factors that government can and should take steps to remedy. Yet the Bush administration, with many corrective tools at its disposal, has done precious little. In fact, its muddled and contradictory set of half-policies has actually exacerbated the situation.

The hemorrhaging of factory jobs is fast becoming a hot political issue for the 2004 elections, particularly because approximately one-third of the job losses have been concentrated in the key political battleground states of the industrial Midwest. To seize the opportunity created by Bush's weakness, Democratic presi-

dential candidates should champion a coherent, forward-looking manufacturing policy vision that realistically address the sector's woes. A candidate could do well by advancing a three-fold agenda that:

- Focuses on creating a technologically advanced, next-generation manufacturing sector capable of rapidly adapting to the challenges of foreign competition.
- Attacks some of the underlying causes of our trade imbalances, such as skyrocketing U.S. budget deficits, a strong dollar policy, and currency manipulation by foreign governments.
- Gives displaced U.S. manufacturing workers the tools they need to make successful transitions into new jobs.

Such an agenda would be a dramatic departure from the policies of the Bush administration.

In fact, as the plight of the manufacturing sector has worsened, the White House reaction has been, at best, confused. Some in the administration want to do something—anything—to show that they are responding. That camp pushed for Bush's politically inspired tar-

iffs on steel and lumber.

But there are also die-hard supply-siders in the administration for whom any effort to help a particular sector of the economy—even a sector as broad as manufacturing—is tantamount to Soviet-style “industrial policy” and is inherently suspect. For them, there is only one acceptable course: to focus obsessively on tax cuts as an economic cure-all. They seem to believe that if tax cuts are big enough, factory jobs will start to reappear.

The common thread that runs between the camps in the administration is the overarching conservative mission of shrinking the nondefense portion of the federal government. That mission rules out any new public investment in programs to help manufacturing companies or their workers, and it also leads the administration to cut back on existing programs. In the end, the administration's many minds have produced a jumbled grab bag of policy actions and inactions that have acted like a dragging anchor slowing forward progress.

As the biggest component of that muddle, Bush's tax cut-induced budget deficits have reduced investor confidence,

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PINK SLIP PRESIDENT: Labor Day 2003 was a soggy, somber affair for Ohio workers protesting Bush's job-killing economic policies.

sucked in increasing amounts of foreign capital to finance public debt, and kept the value of the dollar higher than it otherwise would be. Combined with the administration's contradictory and vacillating statements about the need to abandon a strong dollar strategy, the exploding national debt has hindered needed market corrections in the value of the dollar that would slow imports and boost exports. Meanwhile, another politically inspired administration blunder—its protectionist schemes—has backfired. Even Glen Hubbard, former chairman of Bush's Council of Economic Advisers, has admitted, "The steel tariffs did hurt manufacturing, no question about it."

In the absence of a real plan to boost manufacturing, the administration has pathetically fallen back on largely symbolic actions. Emblematic of this strategy was the president's recent announcement

of a new position: assistant secretary of commerce for manufacturing and services—an absurd notion on its face, since manufacturing and services together make up basically the whole economy. The rest of the administration's all-hat-and-no-cattle manufacturing agenda consists of relabeling initiatives from other policy areas, such as health care and energy.

Adding insult to injury, the administration has quietly moved to slash funding for an array of programs that have proven effective over the years in helping the very manufacturers and dislocated manufacturing workers the administration claims it wants to help. On the budget chopping block are the Department of Commerce's Manufacturing Extension Partnership and Advanced Technology Program, funding to implement the 2002 Enterprise Integration Act, the Department of Defense's

Mantech program, and the Department of Energy's Industrial Technologies program.

The Bush team has also taken other positions that specifically hurt manufacturing workers. It has opposed temporarily extending unemployment insurance benefits, cut funding for job search assistance and retraining, proposed cutting funding for adult vocational education, and eliminated the National Skills Standards Board.

Democrats, because they are not constrained by an outmoded laissez-faire ideology, are well-positioned to advance commonsense, effective solutions. But they must start by refusing to give in to the protectionist impulses of core labor constituencies. Given the almost daily press coverage of U.S. manufacturers moving jobs to China, protectionism has a visceral appeal to many voters, particularly to workers who have lost jobs.

Perhaps that's why presidential candidate Howard Dean initially proposed that we should trade only with countries that abide by U.S. standards of health, safety, and environmental regulation—even if that would mean that we end up trading with only a handful of rich nations.

There is no doubt that a rising trade deficit in goods (\$628 billion in the second quarter of 2003, at an annualized rate) has contributed to job loss. But trade is not the principal culprit. The Progressive Policy Institute calculated that an increase in the trade deficit has caused about 30 percent of manufacturing job losses during the Bush administration. A more important factor is the higher rate of productivity in the manufacturing sector, which has accounted for about 40 percent of the loss of manufacturing jobs. High productivity means that manufacturers can produce more with fewer workers. The remaining

markets for U.S. products. That will require getting trade policies right. It is a mistake to erect trade barriers in an effort to preserve U.S. manufacturing jobs. We should instead work more closely with the International Labor Organization to ensure that developing nations have robust labor standards and more active labor union movements. We should also target development aid to those nations that take tangible steps to improve their labor and environmental standards.

Meanwhile, we should work to ensure that the prices of currencies, including the dollar, adjust to reflect trade imbalances. Market responses to an almost \$550-billion annual trade deficit would drive down the value of the dollar, which in turn would make imports more expensive and exports cheaper. The United States must lead by example by first abandoning its strong dollar policy and letting the price of the dollar be set solely by market forces, not government intervention.

Partnerships between the federal government and industry can help to ensure that U.S. manufacturing is **technologically** far in the lead.

To ensure that strategy's success, we must take dramatic steps to reduce the U.S. national debt, so that we attract less foreign capital, which has

30 percent of the job loss has been attributable to the decline in the consumption of factory goods—particularly important capital goods, such as machinery and computers—relative to the growth in consumption of services.

Government should not intervene to prevent job losses resulting from higher productivity, because productivity growth is, on balance, a positive force in the economy. It raises incomes and improves standards of living. But because 60 percent of the manufacturing job losses under Bush have been unrelated to productivity, government has an important role to play in spurring revitalization of the U.S. manufacturing sector.

Promoting innovation is step one. That is the best way for U.S. manufacturers to guarantee their international competitiveness. They must develop a new generation of innovative products, and they must continue to use technology to dramatically boost their productivity. There are a number of promising areas, including new nanotechnology-based materials, intelligent process controls and systems to further automate factories, increased production flexibility to allow more efficient mass customization, and online order fulfillment to reduce costs of product delivery systems.

Partnerships between the federal government and industry can help to ensure that U.S. manufacturing is technologically far in the lead. Congress should take several steps, including: establishing a next-generation manufacturing R&D initiative to invest in research on machinery and equipment, materials processing, and nano-engineering; creating an Industry Research Alliance Challenge Grant fund to match industry consortia funds invested in research at universities and federal labs; and doubling the funding of the Manufacturing Extension Partnership to help small and medium-sized manufacturers modernize.

In addition to steps that will help create a next-generation U.S. manufacturing economy, it is important to open new

the effect of keeping the value of the dollar artificially high. We should also put pressure on other nations that purposely undervalue their currencies to gain competitive advantage. The most notorious example is China, which pegs the value of its currency, the yuan, to a fixed percentage of the value of the dollar. Thus, as the U.S.-Chinese trade deficit has gone up, the value of the yuan has defied market forces and remained constant, and that contributes to an artificial inflation of the value of the dollar. The Bush administration has rightly stepped up pressure on China to abandon its currency policy, but it should do more—and it should not stop with China. There are other offenders, including Japan, where the leading national bank has stemmed an appreciation of its currency by selling yen and buying dollars.

But even with an aggressive set of corrective policies, government cannot completely protect manufacturing workers from a changing economy. So government must provide help to laid-off U.S. manufacturing workers in their transitions to new jobs. As the Progressive Policy Institute has recommended,

that means expanding and modernizing the unemployment insurance system, consolidating federal training programs into a National Skills Corporation, transferring funds now going to dislocated worker programs into a more flexible New Economy Scholarship Program for dislocated workers to use for training or outplacement services, and expanding health insurance tax credits for laid-off workers.

The right policy framework will help to ensure that U.S. manufacturing stays strong and the trade deficit shrinks. Such a framework could also halt the recent trend of job losses, and possibly even produce modest increases in new, better-paying factory jobs. But such measures would go against the guiding principles of a conservative administration like Bush's. So it's up to Democrats to step into the breach. ♦



Arnold's Third Way

| by Joel Kotkin

Arnold Schwarzenegger's election as governor of California should not be dismissed as yet another outbreak of insanity from the much-disseminated "left coast." Instead, the political trends, as well as the geographic and social forces at play in the Golden State, reflect much that is relevant to the future of politics in the other 49 states.

Perhaps the most pressing lesson—particularly for Democrats—is that this election was won in the center, and lost badly by those who deserted it. It is not only the center in the sense of politics, but also in matters of class (middle), education (some), and age (middle). Arnold's voters are folks who are no longer among the struggling poor but have not yet entered the ethereal kingdom of the rich. He did best with those who are in the work force, not retired or in college. These are people with high school diplomas and some college, but they're not the "overeducated" or "undereducated" groups that are increasingly the core of the Democratic Party.

It is among these voters of the center that the Democrats lost big. This is where the essential Third Way nature of modern post-industrial politics has shown its resilience. Third Way voters are also, for the most part, suburbanites. Just look at the geography of the election. The biggest margins against Gray Davis and Cruz Bustamante occurred in areas of the state where middle-class, middle-aged homeowners, including a large number of Latinos, African-Americans, and Asians, have moved in recent years.

A notable example is the so-called Inland Empire, the sprawling suburban counties of Riverside and San Bernadino

that lie just east of Los Angeles. With 3 million people, the Inland Empire—though suburban in style—is the fastest-growing urban area in America, and a political prototype for what's happening near large cities across the country. It is relevant not only because it is big and getting bigger, but because it reflects the values and dynamics of the peripheral suburbs of major metropolitan areas where the elections of 2004 and beyond may well be decided. There the vote to recall Davis was as high as 70 percent; the vote for Arnold was more than 60 percent.

What was Davis' mistake? Early in his first term, he governed as a moderate but, later on, pretty much capitulated to the left-wing-dominated legislature on critical issues such as the budget, advocacy for gay rights, and illegal aliens' drivers' licenses. Becoming a willing prisoner of the legislative party was Davis' cardinal error, one that Democrats should watch out for nationally, particularly in light of the success, so far, of the Howard Dean campaign. When faced with a recall, Davis' advisers abandoned the center and instead took a "mobilize-the-base" strategy. In Dean's borrowed phrase, they became "the Democratic wing of the Democratic Party." In California that meant energizing the poverty warlords, the ethnic pols, the labor union *apparatchiks*, the

trial lawyers, and the activists—environmentalist, feminist, and gay.

The base-mobilizing strategy didn't work for two reasons. First, even when mobilized, the base is not big enough to win hotly contested elections, even in multicultural California. Second, most California voters did not want illegal aliens to get driver's licenses and were turned off by the legislators' concern for the rights of transvestites and by their absolute subservience to public employee unions. Democratic candidates for national office should take note.

Democrats now face the imminent danger, says former Assembly Speaker Bob Hertzberg, of being marginalized on the political fringes by a smart and determined new governor who could isolate them. They need to adjust to a new reality. An influential member of the new governor's transition team, Hertzberg is among a small coterie of leading Democrats—including Attorney General Bill Lockyer and State Senator Don Perata of Oakland—who have taken the loss to heart and called for a re-evaluation of the party's leftward drift.

Whether others in the legislative party, safe in their gerrymandered districts, get the message is less clear. The takeover of the post-Clinton Democratic Party in California by public employees, fringe advocacy groups, trial lawyers, and Indian casino operators is now pretty much complete. Unless New Democrats are willing to get in the trenches to fight for the soul of the party, we could see the resurgence of either a new Republican Party, or a new agglomeration of centrist forces that could take control of California's always inventive political culture.

On the other hand, Arnold's biggest challenge may come from his own right wing, which does not want to see a centrist Republican succeed. If he is forced to compromise even slightly on taxes, they could go to war with him, even at the risk of terminating their own party's chance for a California comeback. ♦

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Members

Caucuses like Iowa's shut out independents and give too much power to party activists. They become unrepresentative club meetings, senselessly handicapping Democrats.

| by **Randolph Court**

Iowa is back. Left out in the cold during the 1990s—when political circumstances made it irrelevant in the presidential nominating process—the Hawkeye State has once again muscled its way to the middle of the stage with its nominating caucuses. The Iowa Democratic Party loves the

attention, of course, and most of the Democratic presidential candidates are paying the usual deference to a bizarre process. But this should worry Democrats everywhere else, because caucuses like Iowa's are no way to pick a president. They magnify the influence of party activists, exclude too many voters, and tilt toward politicians with slim hopes in national contests. They are, in fact, throwbacks to a bygone era of smoke-filled, backroom meetings.

In 1763, John Adams described the political caucus of early Boston this way: "The Caucus Clubb meets at certain Times in the Garret of Tom Daws, the Adjutant of the Boston Regiment. ... There they smoke tobacco till you cannot see from one End of the Garrett to the other. ... There they drink ... and there they choose a Moderator ... and Selectmen, Assessors, Collectors, Wardens, Fire Wards, and Representatives." That model for choosing officeholders evolved over the next century and a half into the system of party bosses and political machines against which the Progressives revolted in the early 20th century. The Progressive era instituted a much more inclusive model for nominating political officeholders: direct primary elections, now used in most states.

But a growing number of state Demo-

cratic parties today are eschewing primaries for caucuses. Three made the switch for the 2004 presidential cycle—New Mexico, Colorado, and Maine—bringing the current total of caucus states to 14, plus the District of Columbia. It's a disturbing trend, and it could get even worse: Four more states—South Carolina, Tennessee, Missouri, and Arizona—have been flirting with the idea recently.

Why the movement toward caucuses? Reduced to their essence, the two basic factors driving the current trend are money and political power. First, the money: In an era of state budget crunches, caucuses allow states to save the cost of running primary elections. States don't pay for caucuses; parties do. But the more significant enticement is power: Because the parties control their own caucuses independently from each other—and thus do not have to agree on a single date for a primary—caucuses are a way for state parties to be more nimble in the mad dash to achieve national political relevance in an increasingly front-loaded presidential nominating process. (New Mexico Democrats, for example, have moved their caucuses forward to Feb. 3, 2004, while New Mexico Republicans are lagging behind, sticking with a June 1 state-run primary election—at least for

the current presidential cycle.)

But whatever the reason for the trend, it is bad news, both for Democrats and for democracy. It's bad news for democracy because caucuses are an unrepresentative system that effectively shuts most people out of the process of nominating presidential candidates. And that's bad news for Democrats: Using unrepresentative samples of party activists is exactly the wrong way to pick standard-bearers who can rally the broad coalitions Democrats need to win national elections.



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To be sure, today's presidential nominating caucuses are a far cry from the system of exclusive meetings of members of the House of Representatives—the so-called “King Caucus” that was used in the late 18th and early 19th centuries. Nor are they clandestine gatherings of local party bosses, as they often were until the Progressives came along at the turn of the 20th century.

But contemporary caucuses do generally require participants to be registered party members, thus shutting out independents. And they do generally involve a several-hour time commitment, as a docket of mundane party business is attended to. Thus, they deter all but the most dedicated party members. And when they finally get to the business of selecting convention delegates, caucuses usually follow an intricate set of party procedures that distinctly favor highly organized activists. No surprise, then, that caucuses reflect the will of a decid-

edly unrepresentative sample of the electorate.

Moreover, there are no secret ballots in caucuses. This abrogates one of the fundamental tenets of democratic politics. People stand up in front of their neighbors to form candidate preference groups. “This is something you do in public,” notes one political observer. “I think it makes it hard for people to operate outside their group.” The groupthink dynamic perpetuates party nostrums and stifles independent-mindedness.

Iowa, of course, is the prototypical modern caucus state. The local game there is tilted in favor of dedicated party activists in several ways. State party rules, for instance, reward the core Democratic precincts that have produced the most votes in recent elections for Democratic candidates at the top of the ticket, by giving them greater proportional voting power than other precincts. Caucus rules give well-organized groups another

advantage: Groups can pad their preferred candidates' numbers by wooing people whose first-choice candidate is deemed “nonviable” (having the support of less than 15 percent of those attending a precinct caucus). To consistently pull off that delegate-padding maneuver—by successfully wooing reluctant second-choice voters in precinct after precinct around the state—a candidate's troops must ideally be ready with designated spokesmen and prepared talking points. This clearly favors highly organized groups, such as unions.

Caucuses produce lower, more base-oriented turnouts than standard primary elections do. Only about 100,000 people are expected to turn out for the Iowa caucuses next Jan. 19—just one in five of the Democrats registered in the state. And with a crowded field of nine candidates in the race, there is an odd voter-candidate, supply-demand crisis that gives cohesive blocks of voters extra leverage in the nomination process. Unions, for example, represent just 15 percent of Iowa's workers, but they generally account for one-third of Democratic caucus-goers. “The caucuses play right into us,” says Mark Smith, president of the Iowa Federation of Labor (IFL). In a blunt response to a question about the secret to the unions' success in getting their people out to the caucuses, he adds, “It's a pretty simple operation—we harass the s--- out of them.”

That persuasive power means that when labor unions hold campaign-related events in Iowa, candidates greedily descend upon them. An example last summer was the IFL's annual convention, in Waterloo. Several candidates showed up to participate in a political cattle-call-style issues forum. The format called for each candidate, one after another, to answer a similar set of questions centering on issues near and dear to organized labor—job security, health care, and trade policy. It was remarkable to behold, because in the course of an afternoon, the candidates' answers

NARROW-MINDED GROUPTHINK: By using a show of hands rather than a secret ballot, caucuses—like this one in Iowa—promote a herd mentality. Their arcane rules shut out independents and favor highly organized activists.



seemed to melt together into a single gooey mass.

After the cattle call, a small group of rank-and-file union members lingered in a hallway discussing the candidates' performances.

"They all said the same thing," said one.

"Yeah, what we wanted to hear," replied another.

Indeed, this was by design. Political pundits criticize interest group-sponsored candidate forums as panderfests. But labor leaders offer no apologies. They say making the candidates pledge allegiance to organized labor on key issues is exactly the point. Richard Trumka, national secretary-treasurer of the AFL-CIO, told the crowd at the IFL convention that the pundits' criticism "tells me we are right on the mark with the approach we are taking—grilling the candidates thoroughly and making them declare where they stand on the issues."

On the issues, the net effect of caucus rules and Iowa's demographic makeup produces something approaching a retro New Deal coalition that is out of step with the rest of today's national Democratic Party. A Democratic Leadership Council analysis of caucus-goers 2000

Yet 2004 will be the ninth presidential nominating season in a row in which Iowa is given the first bite at the apple. It moved into its plum spot in 1972, and in 1976 Jimmy Carter pulled off a nifty three-rail shot: He came out of nowhere to win the caucuses, he used his surprise victory to generate the early buzz and momentum needed to roll on to the Democratic nomination, and then he capitalized on post-Watergate distrust of Gerald Ford to win the presidency. It was an anomalous victory, but Iowa has been perceived ever since then as the key to early momentum in a presidential campaign. Every four years, it basks in the national political spotlight with New Hampshire (and, to a lesser degree, South Carolina and a few others) for as much as a year before the nominating season. Reporters obsess over every tangible and intangible sign of the candidates' potential strengths and weaknesses in those early states: money, organization, endorsements, poll standings, gaffes, zingers, ads, and general buzz.

Iowa garners so much attention not because it has been a swing state in recent general elections—with one Republican and one Democratic U.S. senator—and not because its Democratic caucus-goers

test was for distance or accuracy."

To maintain the state's coveted position in the nominating schedule, Iowa Democrats engage in a constant fight with other states and the Democratic National Committee. "Every year, every cycle, it's a battle to stay first," says Iowa Democratic Party Chairman Gordon Fisher. In fact, Iowa and New Hampshire have made it clear over the years that they will do just about anything to maintain their traditional one-two spots in the order—even if it means they have to move their nominating events into the calendar year before the general election. To ensure that the scheduling race only goes so far, the DNC adopted a rule that allows only Iowa and New Hampshire to select convention delegates before Feb. 3. But other states have been challenging that rule. Michigan, led by its senior U.S. senator, Democrat Carl Levin, who has been critical of the presidential selection schedule for years, made a contentious bid last spring to move its nominating event up to the same day as New Hampshire's primary. (Not that the change would necessarily have done the national party much good, since Michigan Democrats use a so-called "firehouse primary," a nominating event with rules nearly as peculiar as a caucus.) In exchange for temporarily backing off from that plan, Michigan Democrats forced an agreement from

66 Using **unrepresentative** samples of party **activists** is exactly the **wrong way** to pick national **standard-bearers**.

entrance polls found that Iowa caucus participants were older, whiter, more liberal, more interested in social services, and had lower incomes than Democratic voters in the general election nationwide. In fact, state party officials expect 50 percent of caucus goers to be senior citizens in 2004, up from 36 percent in 2000. For Iowa caucus participants, the ideal composite Democratic presidential candidate would be hostile toward economic globalization, dovish on national security, and an ardent proponent of government social programs. In short, he or she would stand for things a majority of voters have consistently rejected in national elections for the past 25 years.

are seen as a particularly good bellwether of how the party can win nationally. No, it is the focus of national media attention merely because its caucuses come first. "It's a chicken-and-egg situation," says former New York Times correspondent Adam Clymer, one of the deans of American political journalism, who was in Des Moines last summer attending a presidential cattle call. "We're here because the candidates are here, and the candidates are here because we're here. But we'd go to North Carolina in the summer if the candidates all agreed to show up and compete in a watermelon seed-spitting contest. We'd report it, and then we'd argue about whether the con-

the DNC to appoint a commission to look into the party's delegate selection process after the 2004 election.

It's high time. The last time the party paid careful consideration to the nominating process was in 1986, in the wake of Ronald Reagan's 49-state landslide in 1984. And, coincidence or not, Bill Clinton—the only Democrat to win the presidency since Carter—skipped Iowa (because Sen. Tom Harkin's native-son candidacy in 1992 took the state off the table for everyone else). Clinton went on to a two-term presidency. Today's Democratic Party needs to ask itself what's more important: that winning tradition or Iowa's. ♦

The dinner party

WARNING: *The consumption of alcoholic beverages impairs your ability to operate party machinery.*

Back in the days before scientists decided that drinking (a little) was good for you, I used to torment my parents by calculating the millions of brain cells they killed with the wine they served friends at dinner parties. The alcoholism prevention speaker at our school assembly had

spooked us well: I was terrified every adult I knew was a few drinks away from having his or her brain pickled in formaldehyde and put on the health-class circuit.

I was wrong to worry. My parents just celebrated their 50th wedding anniversary, and their friends are still sharp and healthy. They may complain about the cost of prescription drugs, but never about what they're paying Napa Valley.

Nevertheless, the longer I watch the Democratic presidential nominating process, the more the question haunts me: "Where are all those brain cells when we need them?"

The story of this year's campaign so far is the rising voice of the new ruling class in the Democratic Party: Americans with a postgraduate education—or as we learned in health class to call them, wine drinkers. In the 2000 election, Al Gore carried only two education levels—postgrads and those with less than a high school degree. When *The New Yorker* asked Karl Rove to describe the Democratic base, he said, "somebody with a doctorate."

George W. Bush doesn't seem to have learned much economics in business school, but he learned one thing well: how to push other postgraduates' buttons. A political party whose elites went to graduate school rather than Vietnam is not going to stand for a president who did the same thing but now signs up for war as a leadership elective.

I had hoped that these trends would be self-correcting: If Democrats' biggest electoral problem is that Americans think we think we're smarter than they are, what could be better therapy than to pour more wine and shed more brain cells?

Alas, as anyone who has shown up late to a dinner party can attest, wine is the stealth bomber of brain killers: With each glass, people make less sense with greater certainty at louder volume. The saving grace of dinner conversation, unlike the political dialogue, is that the host tries to ensure that everyone stops making sense at the same pace so that no one's in much position to notice.

These days, that's how our party often sounds when we're completely sober: loud, overconfident, enamored of our own

voice, sporting a sneer to match George Bush's smirk. As one leading presidential candidate put it, "The motto of my campaign is 'I told you so.'"

By now, one might think all those advanced degrees would have taught Democrats to realize we'll never get anywhere by assuming the rest of America shares our overeducated point of view. All the Ph.D.s in the world can't elect a candidate who seems to look down on America. Look

what happened to the first great postgraduate Democrat, Adlai Stevenson, who replied, upon hearing that he had the vote of every thinking American: "But I need a majority."

Ironically, Democrats' growing reputation for elitism is at odds even with the Democratic rank-and-file. As political consultant David Axelrod told *Los Angeles Times* columnist Ron Brownstein, the Democratic electorate falls into two camps: "the wine track" and "the beer track." The beer track—which tends to be middle class, married, and male—is the party's proud past, and now turning Republican. The wine track—more upscale, single, and female—looks increasingly like the party's future.

As Bill Clinton (who shunned both beer and wine) might say, it's a false choice. Anyone who hopes to lead our party or our country needs to speak across the cultural divides. We certainly don't want to find ourselves forced to emulate the Dukakis campaign, which went after working-class voters with an ad that had the tagline, "If you want a shot and a beer, go out with your friends. If you want a president, vote for Mike Dukakis."

But even false choices have consequences. As my parents used to say, it's not just how many brain cells you lose—it's how you lose them. For the wine track of the Democratic Party, the primaries are about one thing: George Bush's war in Iraq—a subject that splits the middle class right down the middle. For the beer track, the primaries are about a war we can all oppose: George Bush's war on work, which has produced the greatest job loss since Herbert Hoover and a crushing shift in the tax burden from the wealthy onto the middle class.

The Democrats' hopes of reclaiming the White House depend in large part on whose values and interests we put first. Bush is handing us a historic chance to bury the Reagan myth that Republicans look out for the common man. If Democrats can forget everything we learned in grad school, it'll be more beer for us. ♦

► **Bruce Reed** is president of the DLC and was President Clinton's domestic policy adviser.

The National Security Case Against George W. Bush

Bush's initial successes are now overshadowed by foreign policy failures—on Middle East peace, on Iran and North Korea, on international alliances, on managing the occupation of Iraq. Democrats should respond with a strategy of progressive internationalism.

| by **Will Marshall**

A string of recent White House fumbles from Iraq to North Korea has shaken public confidence in Team Bush's ability to make Americans safer. Such doubts, in turn, could change the dynamics of the 2004 election by converting what has widely been seen as President Bush's greatest political asset—his post-9/11 reputation for resolute leadership on security—into his biggest vulnerability. As Democrats search for a candidate who can get across the threshold of credibility on national security, our current commander in chief suddenly seems in danger of slipping below it.

This stunning turnaround opens the door for Democrats to offer Americans a compelling alternative to President Bush's foreign policy. So far, however, the party's candidates have mostly accentuated the negative, lighting into the president with renewed gusto with each blast of bad news from Iraq. But criticism alone won't allay lingering public doubts about Democrats' toughness and resolve when it comes to waging the war on terrorism or finishing the job in Iraq. Democrats need to offer their own strategy for protecting our people and our values—a "progressive internationalism" that updates the party's historic support for a strong defense, tough-minded diplomacy backed by the cred-

ible use of force, and energetic U.S. global leadership to organize alliances and global institutions around the shared values of liberal democracy.

The immediate cause of Bush's woes is, of course, Iraq, which has turned out to be much tougher to pacify than the administration reckoned. But on other critical fronts as well, the White House seems to be losing control of events. Consider the bill of particulars:

First, the president has been unable to put an effective check on the dangerous nuclear ambitions of North Korea and Iran.

Second, his Middle East "road map" brought only a momentary respite in the bloodletting between Palestinians and Israelis.

Third, after early successes, even the war on terror seems to be bogged down: Taliban remnants are launching bolder attacks in Afghanistan, and Osama bin Laden is urging his followers to go to Iraq to kill Americans.

Fourth, the White House has yet to fashion a long-range strategy for changing the conditions—harsh repression, blighted economic prospects, endemic corruption—that breed extremism and make terrorism seem like a rational career choice to some young Muslim men.

There is trouble on the home front, too. Significant gaps remain to be plugged in homeland defense, especially

in intelligence, information-sharing among law enforcement agencies, bioterrorism, and port security. Meanwhile, the economic news has been mostly bad on Bush's watch, with more than 3 million lost jobs, ballooning budget deficits, and a serious breakdown in the world trade system.

The mounting costs of rebuilding Iraq have heightened the glaring contradiction at the heart of the Bush fiscal policy: The president says we are at war, but instead of calling for shared sacrifice, he insists on cutting taxes for the rich. This policy is driving America deeper into debt, undermining business and investor confidence, and eroding the economic foundations of U.S. security and global leadership.

Overarching all these problems is a more general worry about the president's leadership style. No one doubts that Bush will confront America's enemies; the question is why that should also require alienating America's friends and potential partners. The Iraq crisis has thrown into sharp relief the president's shortcomings—an unreflective nature that sees the world in black and white and retreats easily into platitudes; a tendency, when challenged, to assert his good intentions rather than argue the merits of his case; and, above all, a reluctance to engage skeptics in the hard work of persuasion and compromise.

Bush's "my way or the highway"

> **Will Marshall** is president of the Progressive Policy Institute.

approach has unnecessarily polarized the domestic debate on Iraq and set loose a toxic tide of anti-Americanism abroad. In fact, it's hard to exaggerate the damage done to America's international standing by Team Bush's all-too-evident disdain for the views of long-time friends and allies. They worry that the United States, intoxicated by its growing military superiority, is no longer willing to work through multilateral alliances and insti-

tutions to achieve its aims and legitimize its global leadership. By riding roughshod over their sensibilities, the White House has virtually invited other countries to withhold cooperation on issues vital to us, such as rebuilding Iraq.

This radical departure from America's internationalist tradition is the Bush administration's biggest mistake. By steering a unilateral course, it has isolated the United States, breeding global

mistrust of our motives and leaving us to bear the lion's share of the costs and risks of policies that benefit other countries as well as our own. Instead of asking how they can work with us to confront common challenges like terrorism and weapons proliferation, too many of the world's leading nations are wondering how they can restrain or balance America's overweening power.

These failings recur in the Bush administration's mishandling of several key security challenges:

Iraq. In retrospect, Bush's speech last May on the aircraft carrier Abraham Lincoln marked a turning point not only in Iraq but in his political fortunes as well. Using made-for-TV pageantry, he boasted of the military's stunningly swift victory in Iraq and declared the end of "major combat operations." That phrase has since acquired a bitterly ironic ring, as scarcely a day goes by without reports that more Americans and Iraqis have been killed in ambushes and suicide bombings.

Meanwhile, the failure to find weapons of mass destruction in Iraq, together with the White House's misuse of intelligence reports to hype Iraq's nuclear threat and insinuate links between Saddam Hussein and 9/11, have cast doubt on the administration's central rationale for the war.

The White House further damaged its credibility by consistently lowballing the costs of the war and assuring Congress that oil-rich Iraq could finance its own reconstruction. It was a rude shock to lawmakers when the president finally asked for an additional \$87 billion for U.S. operations in Iraq. Republicans were especially shocked, because the request included \$20 billion for rebuilding the country—the largest U.S. foreign aid package since the Marshall Plan. It was nation-building on steroids.

The president's rash decision to fight the war without broader international support has left us trying to win the peace—a much more complicated and expensive proposition—nearly alone. Contrast that with his father's success



JITTERY PEACE: Bush's wrong-headed decision to go to war without international support has left the United States trying to win the peace alone.

in winning U.N. backing for the first Persian Gulf War, which triggered about \$60 billion in allied contributions. The Bush II administration dragged its feet for months before finally agreeing to a largely symbolic role for the United Nations in overseeing Iraq's reconstruction. The result was a watered-down Security Council resolution in October that put coalition forces under the United Nations' nominal control, but failed to unlock significant new contributions of either troops or money from the inter-

U.S. troops and assassinating international aid workers, prompting relief organizations to flee the country. Although Congress has authorized \$1 billion to expand the U.N.-mandated International Security Assistance Force, the White House hasn't asked for the money.

Global terror networks need money to ply their grisly trade. The White House, however, has shied from confronting the country that administration officials call the epicenter of terrorist funding: Saudi Arabia. According to FBI

at Bushehr, ostensibly to generate electricity, though skeptics wonder why a country awash in oil couldn't build another oil-fired plant. With Saddam out of business in Iraq, Iran's Islamic hard-liners clearly represent the greatest long-term threat to peace in the Middle East. Their close ties to terrorist groups like Hezbollah and decision to give refuge to top al Qaeda operatives makes the prospect of a nuclear Iran deeply unsettling.

In response to these twin perils, however, the White House has oscillated indecisively between confrontation and engagement. Pentagon hard-liners oppose talks that, like the Clinton administration's 1994

Progressive internationalism would build the world's most technologically advanced **military** while advancing **liberal democracy** abroad.

national community. The October donor's conference in Madrid yielded only a grand total of \$5 billion in new grants for Iraq.

The war on terror. To many Americans, the war on terror may seem an unalloyed success. After all, we routed the Taliban, destroyed al Qaeda's main base of operations, and won the help of nations around the world in monitoring terrorist suspects, disrupting plots, and dismantling the financial infrastructure of global terrorism.

But look at the other side of the ledger. The administration's reluctance to put enough U.S. troops on the ground led to overreliance on local forces, which in turn enabled bin Laden and other terrorist leaders to slip through our fingers. Now the terrorist-in-chief is urging Muslims to converge on Iraq for "martyrdom operations against the enemy" and is, no doubt, planning the sequel to 9/11. His son and other top al Qaeda leaders have found refuge in Iran, where they apparently continue to direct terrorist attacks around the world.

The administration's failure to help the new Afghan regime extend its writ beyond Kabul has left most of Afghanistan in the hands of the same warlords whose misrule paved the way for the Taliban. Meanwhile, Taliban remnants have regrouped and are attacking

and Treasury officials, at least \$100 million has flowed from Saudi financiers and Islamic "charities" to terrorists in recent years. Rather than press the Saudi government to crack down on this tide of blood money, the administration persists in lauding the kingdom for its cooperation in combating terrorism.

The WMD threat. Preoccupied with a, so far, futile hunt for weapons of mass destruction in Iraq, the White House has been unable to settle on an effective response to the more urgent proliferation threats posed by the other charter members of the "Axis of Evil": North Korea and Iran.

On the contrary, by inflaming the North Koreans' legendary paranoia, Bush has put the spurs to Pyongyang's nuclear program. Citing the Bush doctrine of pre-emption, the North Koreans say they have begun reprocessing fuel rods with the explicit aim of making nuclear weapons to deter U.S. aggression. What gives U.S. defense planners nightmares is the prospect that dictator Kim Jong Il will export nuclear materials to help keep his regime afloat, or threaten to sell them to extort further financial assistance from the West.

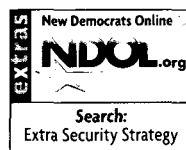
Nearly as worrisome is Iran's ramped-up nuclear program. With Russian help, Tehran is building a nuclear power plant

framework agreement, would offer Pyongyang food and other inducements in return for shutting down its nuclear program. They argue instead for destabilizing the regime, though it's hard to see what could be more destabilizing than the economic collapse and mass starvation North Koreans have suffered in recent years. And despite Bush administration saber-rattling, there's no credible "hard option" at hand, since neither South Korea nor neighboring powers like China or Russia would countenance a U.S. pre-emptive strike on the North.

More promising is the administration's decision to enlist North Korea's neighbors in six-way talks with the regime. Pyongyang is much more likely to be tractable if it faces a united front that includes its traditional allies, China and Russia. Now that the White House has acknowledged the limits of a unilateral approach, it ought to negotiate a new quid pro quo, guaranteed by the gang

of six, in which Pyongyang agrees to give up its nuclear program and adopt Chinese-style economic reforms in return for security guarantees and increased aid from its neighbors and the United States.

Dealing with Iran also requires a collective approach, especially as the United States has no diplomatic relations with Tehran. Britain, France, and Germany



have taken the lead, winning Iran's pledge to suspend its uranium enrichment activities. But it's not clear whether Tehran will consent to the intrusive inspections necessary to ensure compliance with its obligations under the International Atomic Energy Agency. Moreover, the Europe-Iran agreement does not cover the Bushehr plant, which will generate fuel that Iran could easily reprocess into weapons-grade plutonium. Working closely with our European allies, the IAEA, and the United Nations, the United States needs to sustain international pressure on Tehran to prove that it is not trying to build nuclear weapons.

Finally, the Bush administration has undermined America's credibility on nonproliferation by launching an effort to develop a new generation of nuclear weapons, including low-yield "bunker busters." Whatever marginal military utility such weapons might yield is vastly outweighed by America's interest in reinforcing global norms against nuclear, biological, and chemical weapons.

Road map to nowhere. The Bush administration's churlish determination to do things differently from its predecessor has come to grief in the Middle East. Noting that President Clinton devoted countless hours to trying to nudge the Palestinians and Israelis toward a peace settlement, only to be rebuffed by Yasser Arafat, the Bush administration chose to stand aloof from the conflict until the parties decided on their own to resume talks. That didn't happen, and the United States watched helplessly as the two sides locked themselves in a vicious, tit-for-tat cycle of retaliation that has claimed thousands of lives.

After the decisive American victory in Iraq, the administration finally bestirred itself and unfolded its "road map" to Middle East peace. But this plan unraveled when the Palestinians failed to suppress terror groups and Israel failed to make a meaningful commitment to closing illegal settlements.

The Bush administration got one thing right: By refusing to deal with the

unreliable Arafat, it forced the Palestinians to choose new leaders to negotiate with Israel. But the president failed to give former Palestinian Prime Minister Mahmoud Abbas timely support or to put serious pressure on Israeli Prime Minister Ariel Sharon to shut down illegal settlements. The result is another round of dashed hopes and renewed carnage. Arafat is back in full charge, and the Israelis are building a security fence through the West Bank to acquire unilaterally the security the Palestinians seem unable or unwilling to grant them.

The Bush policy of disengagement has been a dismal failure. What's required to break the impasse is forceful intervention by a U.S. president willing to commit his energies and prestige to mediating the conflict.

U.S. economic leadership. In addition to his failing foreign policy, Bush has promoted domestic policies that weaken the economic foundations of U.S. global leadership. A looming \$600 billion budget deficit, a projected \$5 trillion debt, \$1.3 trillion in reckless tax cuts—all these serve to undermine America's ability to advance its national interests, pay for nation-building abroad, and sustain an ambitious foreign policy. And by choosing trade policies that revive pro-

tectionism at home and abroad—on steel and farm products, for instance—the Bush administration has stalled progress toward expanding trade and helped to scuttle the World Trade Organization's Doha round in Cancun, Mexico. The "Cancun swoon" could prove costly: Economists estimate that successful completion of the round would generate an additional \$500 billion in world trade.

full proposal, "Progressive Internationalism: A Democratic National Security Strategy," is available at ppionline.org.] This new strategy goes beyond the Bush administration's narrow focus on military power to mobilize America's "soft power"—trade, aid, multilateral institutions, and the broad appeal of human rights and democracy. At the same time, it updates the tough-minded internationalism of Roosevelt, Truman, Kennedy, and Clinton. It would build the world's most technologically advanced military while advancing liberal democracy abroad, reinvigorating America's strategic alliances, and keeping mass destruction weapons out of the hands of rogue dictators. In addition, it would plug gaps in homeland defense and undo Bush administration tax and budget policies that have brought back huge deficits that undermine U.S. global economic leadership. Progressive internationalism also challenges the Bush administration to reconsider America's partnerships with such "friendly" autocracies as Saudi Arabia; putting stability over democracy in the Middle East has produced an unstable status quo while fanning anti-American sentiments.

In addition to scoring Bush's unilateralism and the narrow approach of the neo-imperialist right, the proponents of

Democrats can take on President Bush in the area of his presumed strength—if they have the **courage** to seize it.

progressive internationalism—including this author—take on the protectionist, pacifist tendencies of the non-interventionist left. We write: "Too many on the left seem incapable of taking America's side in international disputes. ... Viewing multilateralism as an end in itself, they lose sight of goals, such as fighting terrorism or ending gross human rights abuses, which sometimes require the United States to act—if need be outside a sometimes ineffectual United Nations."

With such a robust strategy, Democrats can take on President Bush in the area of his presumed strength—if they have the courage to seize it. ♦

The Democratic alternative. Progressive internationalism, as recently proposed by a group of Democratic foreign policy thinkers, is the most promising alternative to Bush's failing policies. [The

A Squandered Opportunity

Unengaged in the Middle East peace process, President Bush let the violence spin out of control. Now it's much harder to get the genie back into the bottle.

| by **Martin Indyk**

When President Bush came into the White House, he was faced with two choices in the Middle East: He could try to stop the Palestinian *intifadah* before it destroyed the framework of peace that President Clinton had so painstakingly constructed over the previous eight years; or he could stay disengaged and watch it be dismantled.

It would have been so much easier at that moment to engage. Both the Israelis and the Palestinians had accepted the Mitchell recommendations and CIA Director George Tenet's ceasefire plan for ending the *intifadah*. Israel's newly elected prime minister, Ariel Sharon, was so concerned about proving himself a worthy ally of the new president that he was prepared to commit to a complete freeze on new settlements in the Occupied Territories. (As the U.S. ambassador to Israel, I conveyed his offer to Washington.)



In return, the Israeli prime minister wanted the United States to use its influence to pressure Yasser Arafat to stop the terrorists.

Sharon was prepared to work with Arafat in those days—if only the Palestinian leader would stop the terrorism.

Sharon even sent his son Omri to meet with the PLO chairman as a gesture of his good intentions. The last thing Sharon wanted to do was to send the Israeli army back into West Bank cities and towns to stop the terrorists. As prime minister, he was intent on

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expunging the stigma of having led the Israeli army in 1982 into Lebanon, where it became stuck for 10 years. Indeed, Sharon waited 15 months for Washington to pressure Arafat to stop the terrorism until a horrendous series of suicide bombings in March and April 2002 so shook the Israeli nation that he

dismantled the Clinton-era peace team, and systematically removed officials who had any peace process experience or expertise. Indeed, the words "peace process" were banished from the Bush State Department's diplomatic lexicon. The Bush administration sat back and watched while hundreds of Israelis and Palestinians died, and thousands of casualties were inflicted on both sides.

Of course, everything changed after 9/11. After ignoring the Middle East for nine months, Bush came to focus on it with an intensity equal to Clinton's. He had come to understand that to protect and promote American interests, he needed to embark on a strategy with four branches, designed to transform the region: to remove Saddam Hussein, to dry up the swamp, to deal with the rogue sponsors of terror, and to promote Israeli-Palestinian peace. He came only late and reluctantly to realize the importance of this last goal.

Clinton had chosen the engine of peacemaking to drive the train of transformation; Bush used the engine of war-making. In the post-9/11 circumstances, his overall strategy and objectives were laudable. It was right to seek regime change in Iraq, to promote political and economic reform in the Arab world, to press Iran and Syria to end their sponsorship of terror, and to promote a two-state solution to the Palestinian problem. Democrats were and are right to support those goals.

But in launching a war process rather than a peace process, Bush was making a radical departure from policies pursued by previous administrations, Democratic and Republican alike. They had all regarded stability in the Middle East as a vital interest. The Bush administration, by contrast, concluded that it was actually the pursuit of stability that helped generate the attacks on the World Trade Center towers and the Pentagon. Therefore, if the use of force was necessary to transform the Middle East, and that created some instability along the way, so be it.

In fact, there is nothing in itself wrong with promoting a little insta-

bility. With the benefit of hindsight, we now recognize that previous administrations, including Clinton's, were wrong to allow a preoccupation with stability in Egypt and Saudi Arabia to blind us to the consequences of allowing those governments to export their Islamic fundamentalism problem to our shores. But if an American administration is going to pursue a strategy that generates instability in an already volatile region where the United States has vital interests at stake, then it needs to make sure that it prepares the ground well. It has to plan for the unexpected, build broad international support, and put in place safety nets to guard against the inevitable unintended consequences of its actions.

With hindsight, the importance of doing those things is all too obvious. There is a symbiotic relationship among the four objectives adopted by the Bush administration. The president argued correctly that if we achieved regime change in Iraq, it could help our efforts to make Israeli-Palestinian peace, reform the Arab world, and pressure the rogue states to end their evil ways. But the reverse proposition was also true, and he should have been mindful of it: If you stumble on the first objective—if you get into trouble in Iraq—you hinder all your other efforts.

Not surprisingly, as our problems have mounted in the aftermath of the successful toppling of Saddam's regime, the road map process has collapsed, the Arab reform process has halted, and the rogues have concluded that we have grown short of breath and they don't have to fear us. Increasingly, it looks as if what we are left with is not transformation or peace, but just instability. We went from accepting instability as a necessary byproduct of our strategy to actually producing it as the result. And if we end up only with instability, the United States and our allies in the region, especially Jordan and Israel, are going to face

serious trouble.

All of this could have been foreseen. Indeed, many Democrats did stand up before the war and loudly proclaim that



SHATTERED DREAMS: The spiral of attack and counterattack has devastated both Palestinians and Israelis. With regime change in Iraq, it's time for the Bush administration to convince both sides that peace, not war, is their only hope.

was left with no choice but to intervene militarily.

But Bush was convinced that anything Clinton or former Sen. George Mitchell or any other Democrat did was not just wrong, it was feckless, even stupid. He proudly told the press that he "didn't do nuance," didn't do Middle East summitry, and wasn't looking for a Nobel Peace Prize. And so the Bush administration did away with the special Middle East envoy's office,



we had time to prepare the ground better, that we needed U.N. approval, broader international support, and an effort to move the Israeli-Palestinian process forward *before* launching war in Iraq. But hubris blinded the president and his administration. They thought they needed no help; that all they had to do was lead and the rest of the world would have no choice but to follow; that it would be a "cakewalk"; that the Iraqi

Israelis and Palestinians out of the vortex of violence and back on the road toward peace.

The United States and Israel just lost a Palestinian leader, Mahmoud Abbas—who also known as Abu Mazen—who had the potential to be the Palestinian Anwar Sadat. Instead, Arafat is back in complete control, unless the Israelis expel him. Israel now faces a dire situation and, lacking any good options to stop the ter-

empower a prime minister. Fearing that the Palestinian people were exhausted and their Iranian and Syrian sponsors were on the defensive after Saddam's demise, Hamas and Palestine Islamic Jihad (PIJ) had decided to declare a unilateral cease-fire. Sharon committed his right-wing government to the road map and argued to his cabinet, in a historic turnabout for a right-wing prime minister, that it was in Israel's interests to accept a Palestinian state.

Sharon committed his **right-wing government** to the **road map** and argued to his cabinet, in a **historic turnabout** for a right-wing **prime minister**, that it was in Israel's interests to accept a **Palestinian state**.

people would welcome us with open arms; and that Israelis and Palestinians would blithely put aside their mistrust and enmity.

Bush squandered a great opportunity that he himself had generated by going to war to remove Saddam from power. Far from promoting our national security, he is placing our national interests in great jeopardy. And in the process, he also fumbled the opportunity created by the war to move the

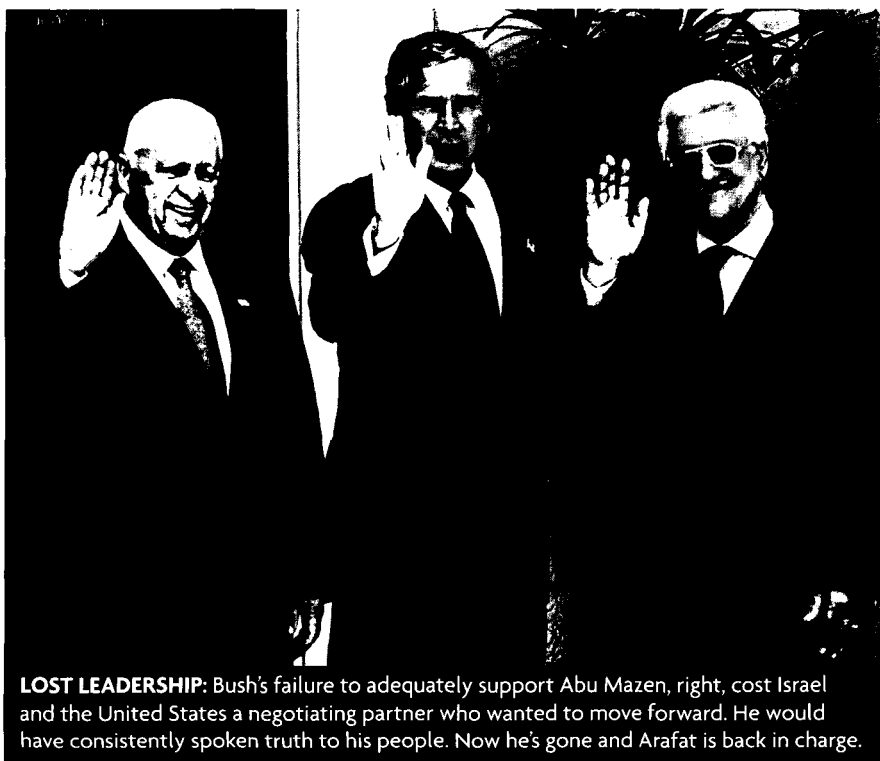
terrorism, is contemplating a confrontation with Syria to cut off that source of succor for the terrorists. And Bush is taking the easy way out—walking away from the commitment to peacemaking he made at the Aqaba summit in Jordan and blaming the Palestinians.

The moment of opportunity was certainly there after the successful toppling of Saddam. In anticipation of it, Palestinian reformers with outside backing had insisted that Arafat appoint and

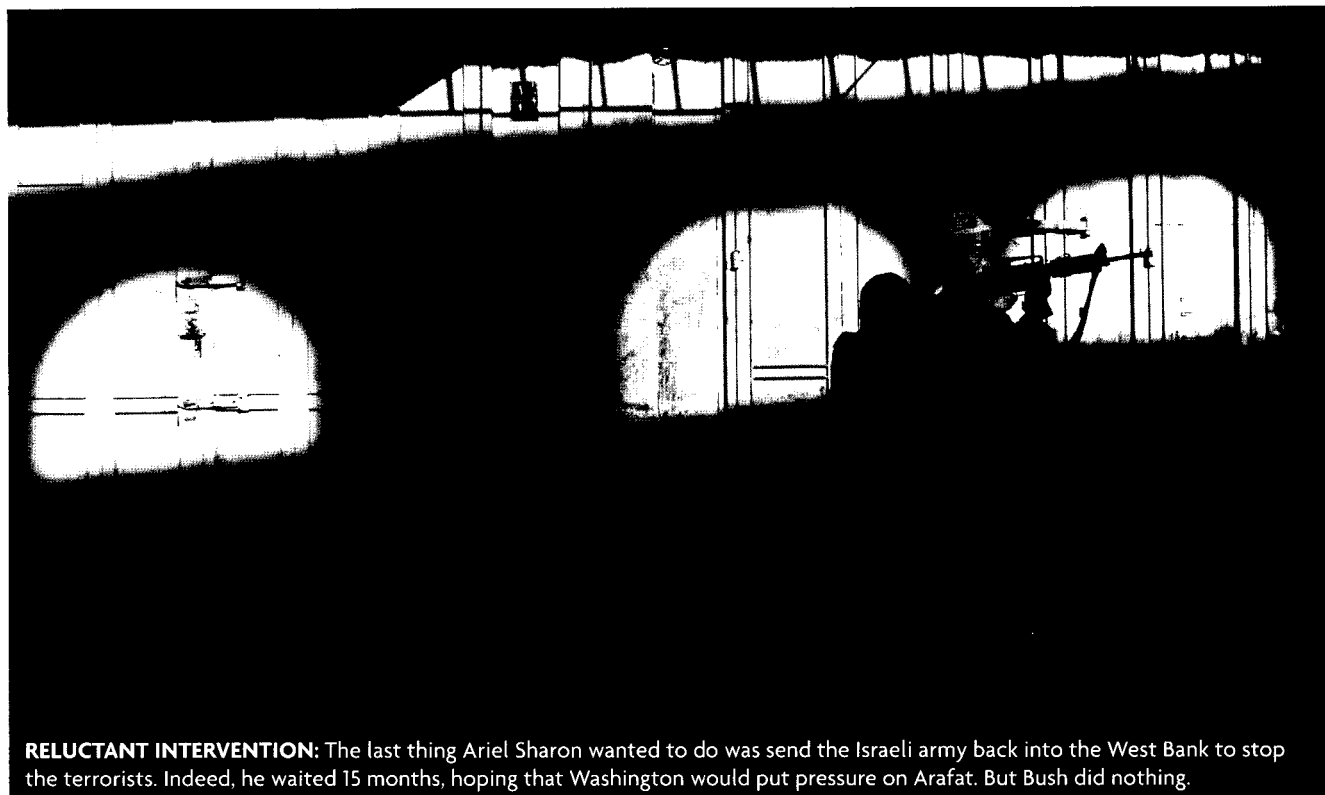
In attempting to seize this moment, the president got off to a good start in Aqaba, where he promised his personal commitment (the very thing he criticized Clinton for doing). He wisely moved the effort into the White House under National Security Adviser Condoleezza Rice, and he established a special road map mission in Jerusalem under a new Middle East envoy, John Wolfe, equipping him with monitors in shiny new armored Chevy SUVs. But then the president became preoccupied with Iraq, and his administration went off on summer vacation. The SUVs sat in the parking lot at Jerusalem's David Intercontinental Hotel, and the process rapidly unraveled.

At the heart of the problems Bush faced with moving the road map forward was a structural flaw—the lack of a responsible Palestinian leadership, capable of dismantling the infrastructure of terror, with the popular legitimacy to do so. To correct that flaw, the president had to lead an effort to convert Abu Mazen from a potential Sadat into a real one. He had the potential because, like Sadat, he understood that, in his words, there could be no military solution to the conflict, and that terrorism was not only wrong on moral and religious grounds, it was also doing great damage to the Palestinian cause.

Abu Mazen was that rare Palestinian leader who was prepared to stand up and consistently speak this truth to his people, in Arabic. You won't hear those words from his successor, Abu Ala. Even though he believes them, Abu Ala not only lacks the courage and moral clarity



LOST LEADERSHIP: Bush's failure to adequately support Abu Mazen, right, cost Israel and the United States a negotiating partner who wanted to move forward. He would have consistently spoken truth to his people. Now he's gone and Arafat is back in charge.



RELUCTANT INTERVENTION: The last thing Ariel Sharon wanted to do was send the Israeli army back into the West Bank to stop the terrorists. Indeed, he waited 15 months, hoping that Washington would put pressure on Arafat. But Bush did nothing.

of his predecessor, he has observed that speaking the truth in the absence of a capability to do anything about it only hastened Abu Mazen's demise.

Dropped ball. To convert Abu Mazen's words into a new reality, he needed our help; the Bush administration failed to provide it. He needed a restructured security apparatus that was taken out of the hands of Arafat; we dropped the ball on that one. Only now, in the wake of Abu Mazen's resignation, is the Bush administration demanding that it be done. Abu Mazen also needed the security forces to be rapidly retrained and re-equipped; the CIA was given that task but didn't take

million. Instead, on his only visit to Washington, Abu Mazen was promised visits from the treasury and commerce secretaries, an old Washington trick that signals a lack of commitment. Abu Mazen also needed Israel to take a series of meaningful steps that would change the day-to-day reality of his people (e.g., removing checkpoints, withdrawing the Israeli army from the major cities of the West Bank, dismantling outposts, freezing settlements). The Israelis started to do these things, but when the Palestinians failed to act against the terrorists, they backtracked. And at that critical moment, Bush got sidetracked into arguing about the route of Israel's security fence, which was

progress with Saudi Arabia. But we failed to persuade Syria to stop the flow of support from Iran through Damascus to the Hamas and PIJ terror organizations and the bands of armed thugs who operated in the West Bank under the banner of the Fatah Tanzim.

There is an old maxim about the Middle East peace process: It's like a bicycle: If you're not pedaling forward you will fall off. That is precisely what happened. The ceasefire unraveled. Hamas, PIJ, and Tanzim launched several suicide bombing attacks, the most egregious of which killed 21 Israelis, including nine children, who were returning from their prayers at the Wailing Wall in Jerusalem. The Israelis

responded by undoing all the military steps they had taken to ease the situation. And the Bush administration's grudging policy of

belated minimal engagement failed as Arafat took advantage of the determination to force Abu Mazen's resignation. Arafat is back in control; Bush and Sharon will not deal with him, and this leaves the arena and U.S. interests vulnerable to the next terror attack. ♦

“There is an **old maxim** about the Middle East peace process: It's like a bicycle: If you're **not pedaling forward** you will **fall off**.”

it seriously. And Abu Mazen needed a massive infusion of funds into the Palestinian Authority that he could use to demonstrate some tangible improvement in the lives of ordinary Palestinians. The United States offered him \$50 million, which was important, but it should have been \$250

an unnecessary battle, because Sharon had already decided to change it as a result of our unhappiness.

Finally, Abu Mazen needed the Arab states to cut off funding and support for the terrorist organizations. On that front, the Bush administration did make a little

The Third Way Lives

Little noticed in the United States, two of the world's remaining centrist leaders—Tony Blair and Gerhard Schröder—have achieved new successes in pushing their reform agendas.

Four years ago, five heads of government gathered in Washington for a landmark conference of Third Way leaders organized by the Democratic Leadership Council. They were U.S. President Bill Clinton, British Prime Minister Tony Blair,

German Chancellor Gerhard Schröder, Dutch Prime Minister Wim Kok, and Italian Prime Minister Massimo D'Alema. That gathering marked the international high point of New Democrat power and principles. Yet of the five, only two remain in power today: Blair and Schröder. The winds of change pushed rightward in Holland and Italy, and Al Gore lost by a hair in the United States. What's happened to the Briton and the German?

The short answer is that they've won, and, with them, so has the international Third Way movement. Blair and Schröder, though they've recently weathered heavy opposition storms, have not backed down from their commitments to progressive reforms. Blair is pursuing partial privatization of public institutions like hospitals, devolution of power to Britain's regions, and an internationalist foreign policy. Schröder is pushing tax cuts, an overhaul of health care, and first steps towards the privatization of social security. In the course of their efforts, both leaders

have taken hits from their right-wing opposition and even harder blows from unreconstructed members of their own parties' left wings. And both were battered by the Iraq war: Blair among his own voters for going in, Schröder in his critical relationship with Washington for staying out.

Yet both Blair and Schröder have come out of the toughest period of their terms with key victories that may someday be seen as critical turning points. Blair's was at this autumn's annual Labour Party conference at Bournemouth, where he faced down his critics and drew an unexpectedly rousing vote of confidence from the faithful. Schröder's came with this fall's parliamentary vote in favor of an historic reform agenda designed to wrench Germany's stagnating economy and bloated welfare system into the 21st century. As in the United States, where New Democrats are engaged in a battle for the soul of the Democratic Party, Blair and Schröder are leading the fight for modernization of theirs. The big news is that they're winning—Blair by making it plain that "I've got no reverse gear," Schröder by once again, as he did before committing troops to Afghanistan, putting his office on the line if his party failed to endorse reforms.

Here are two reports:



Healing Europe's Sick Man

| by **Robert von Rimscha**, Berlin

Gerhard Schröder sat back, puffed out his cheeks, and gave a long sigh of relief. Done. On October 17, half a year after a landmark reform speech to the German parliament, the chancellor's crucial reform package had

just passed the Bundestag. The event was nothing less than the "dawn of a new republic," proclaimed a prominent German weekly. Or was it?

It certainly was revolutionary for Germany. The new legislation would do away with cushy jobless benefits, remake the unemployment bureau-

cracy—90,000 people strong—and, with the stroke of a pen, phase out welfare as Germany knew it. Simultaneously, Germany's upper chamber—the Bundesrat—passed a sweeping health care reform which cuts costs and increases individual responsibility.

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➤ **Robert von Rimscha** is senior national correspondent for the Berlin daily, *Der Tagesspiegel*, and author of books on both the Kennedy and the Bush political dynasties.

SURPRISE

OVATION: Blair confounded his enemies and surprised his friends with a speech that brought seven minutes of standing applause.



No Reverse Gear

| by **Robert Philpot**, *London*

The choppy seas and crashing waves outside of the conference center in the southern English town of Bournemouth provided the perfect backdrop for Tony Blair and his Labour Party's annual conference in September. As the prime minister himself admitted, his government has hit something of a "rough patch."

Two weeks before the conference opened, Labour lost one of its safest seats to the Liberal Democrats in a parliamentary by-election in north London. Blair's approval ratings have sagged

alarmingly and, although the party is still ahead in most polls, the days of Labour leading its opponents by double-digit margins seem far away. Surveys indicate that Labour backbenchers are restless, some murmuring that a change of style at the top, or even a change of leader, is needed if the party is to recover its fortunes.

On controversial plans to reform public services—including the creation of semi-independent "foundation hospitals" and increases in fees for university students—the prime minister and

his allies are fighting a rear-guard action against a newly militant and reinvigorated union movement and its cohorts on the left. Before heading down to Bournemouth, the leaders of the four biggest trade unions—labeled the "awkward squad" by the media and Blairites—gathered in a London restaurant to hatch plans to "get Labour back" from the modernizing "usurpers."

And, as the 10th anniversary of Blair's election as Labour leader approached and the days of Labour's second term ticked

Continued on page 28

Robert Philpot is director of the London-based New Labour organization, Progress.

Blair

Continued from page 27

away, speculation grew about Gordon Brown, the chancellor of the exchequer. Did Blair, in 1994, promise his ally Brown that he would stand down midway through a second Labour term, thus clearing the way for the chancellor to succeed him? The chancellor's confidantes hint that he did; the prime minister's that no such promise was given. Fuel was added to the fiery debate by *The Deal*, a drama aired on television on the opening night of the conference, alleging that a quiet bargain had indeed been struck.

Hanging over everything, though, was the specter of Blair's decision to lead a reluctant Labour Party and country to war with Iraq. As one minister moaned in Bournemouth: "Everything is Iraq plus: Iraq plus foundation hospitals, Iraq plus top-up fees, Iraq plus Gordon." The fallout from the controversial decision rumbled like distant thunder for a couple of months after the end of the war, before exploding in the summer after the suicide of the government's weapons scientist, Dr. David Kelly. He was the source for a BBC report that accused 10 Downing Street of knowingly including false claims about Saddam Hussein's capabilities in a dossier published in 2002. Kelly's suicide provoked a public inquiry that delved deep into the inner workings of No. 10 and the manner in

which the government led the country to war.

Against this background, it was not surprising that as Blair prepared to deliver his keynote address, his aides' biggest fear was of a "Ceaurescu moment"—a chorus of jeers and heckling that exposed the isolation and unpopularity of their boss and his own followers' rejection of him.

On the eve of Blair's speech, the bars and fringe meetings around the conference were dominated by discussion of Brown's speech earlier in the day and the ecstatic reaction to it. Brown's aides had made sure that the media and delegates got the nuances in the chancellor's speech: his support for Blair's efforts to reconstruct Iraq but no justification or support for the war; a pointed call for the government to be "honest with the British people"; and a warning that reform should not be for its own sake but to promote "Labour values." The chancellor's closing line threw down the gauntlet to Blair. Quoting the prime minister's words at last year's conference—"We are at our best when at our boldest"—Brown went on to add, "best when we are united, best when we are Labour." Brown used the word Labour 62 times in his speech, but New Labour not once—seeming to distance himself from Blair.

It was into this not altogether auspicious environment that the prime minister stepped the following afternoon to deliver what his aides termed simply "The Speech." As left-wingers shook their heads

in disbelief, Blair delivered a speech that gave little ground to his critics. Aping Margaret Thatcher's famous pledge in 1980 that "the Lady's not for turning," the prime minister warned: "I've not got a reverse gear." Having turned itself once again into a credible party of government, Blair argued, Labour's challenge was not simply to win an historic third term, but to "usher in a political era where progressive poli-

tics is to the 21st century what conservative politics was to the 20th." Instead of turning on their leader, the audience gave Blair a seven-minute standing ovation, having repeatedly interrupted his speech with applause and cheers.

How had Tony Blair fared? Iraq, the Hutton inquiry into the Kelly matter, and the failure to find weapons of mass destruction still hang over the prime minister. The war has become a trigger that has helped to focus much of the anger and frustration that infect many on the British left. To them, Blair's brand of progressive politics—with its challenge to old orthodoxies and attempts to build a lasting governing coalition—has always been anathema. The left's frustration has reached a boiling point, in part because the betrayal that they always expect Labour in government to commit had not occurred. And then came Iraq: the betrayal those on the left were waiting for and a battering ram with which they could attempt to tear down the whole edifice of progressive politics in Britain.

But the reaction to Blair's speech and, perhaps more importantly, the feel of the conference away from the big set-piece speeches, suggests that they may not succeed. The moderate majority of Labour Party members knows that Tony Blair leads a government of which many remain justly proud and which, they feel, too often fails to get credit for its achievements. Moreover, many now share with Blair a contempt for those who prefer the luxuries of opposition to the hard choices of government.

They well remember that old Labour, for at least half a century, was barely more than a pressure group that occasionally grabbed the reins of power from the

Conservatives before being swiftly forced to relinquish them again. As Blair told party members in his speech, Labour has now been in government more than six years, the longest term in its history. Most of them seem to share Blair's ambition that Labour become, over the long term, the party of government, not just of opposition. And if Blair's reforms continue, it may happen. ♦

66 The **moderate majority** of Labour Party members knows that **Tony Blair leads** a government of which many remain **justly proud** and which, they feel, too often **fails to get credit** for its **achievements**.

which the government led the country to war.

As the delegates headed south, protestors were once again taking to the streets of London—and Bournemouth—demanding that the government withdraw British troops from Iraq. Although small in number, the protesters seemed to speak for a majority of Britons, who now indicate to pollsters that they believe Blair

in disbelief, Blair delivered a speech that gave little ground to his critics. Aping Margaret Thatcher's famous pledge in 1980 that "the Lady's not for turning," the prime minister warned: "I've not got a reverse gear." Having turned itself once again into a credible party of government, Blair argued, Labour's challenge was not simply to win an historic third term, but to "usher in a political era where progressive poli-



LONG FIGHT:
Chancellor Schröder
had taken five years
to get a reform
victory in parliament.
It felt good.

Schröder

Continued from page 26

By German standards, this is sweeping. Even the business sector and pro-business parties praised the chancellor's reform package—known as Agenda 2010—while complaining that it didn't go far enough. With Germany widely viewed as the sick man of Europe, a new national consensus has emerged: Painful as they may be, these reforms are steps in the right direction.

Their passage was testimony, among

other things, to Schröder's stubborn stick-to-itiveness. In 1998, he ran on a progressive agenda called The New Middle, meant to reform both the Social Democratic Party and Germany. By 2002, the chancellor was no longer using the same slogan, and Germany's economy was still sputtering.

Re-elected last year for his tough antiwar stand on Iraq and for some telegenic crisis management during summer floods, Schröder weathered a year in the wilderness, at least in his relationship with Washington. Yet, this spring he returned, apparently more determined than ever, to his original reform impulse.

He repeatedly threatened to resign if his party failed to back his progressive agenda—a move that would have brought down the red-green government and forced elections that the Christian Democratic opposition would surely have won. Despite various renegade uprisings on Schröder's far left, the party fell into line.

But the chancellor's victory is not yet final. His program was set to be rejected in early November by the conservative-controlled upper chamber—moving the issue into a behind-closed-doors conference committee from both houses. The committee will no doubt labor long into December nights before finding acceptable compromise solutions. One change the opposition seeks to block is the reform of the nation's social security system, announced by Schröder just two days after his October 17 victory. Its principles match those of the government's health care overhaul: more individual responsibility, fewer benefits, less cost to the federal budget. Germany's famed social net once again became looser.

Schröder's bold reform strategy could still backfire. While his first five years in office brought cultural and symbolic reforms—establishing gay marriage, abandoning nuclear power, easing access to German citizenship—these were crucial left-wing issues that left most Germans untouched. Now, Schröder is talking economic reforms. And nobody is untouched. Organized resistance to his package—especially from unions—is formidable. If his reforms are finally rejected, or if they fail to produce tangible economic results, the fall of German reform could also be the fall of Gerhard Schröder.

On the national stage, Schröder is still standing. Even if he and his party should eventually lose this battle, and fall from power, he will be remembered as the leader who tried hardest to force Germany to confront its ossified systems and spendthrift habits. For now, however, the reform train is leaving the station, and the chancellor is driving it. Once famous for wavering, Schröder knows that now there's no turning back. His bets have been clearly placed—on reform. ♦

Homeland FAILURE

No matter how you cut it, the Bush administration is shirking on homeland security. It gets a D on its report card.

| by **Shane Ham**

It's been more than two years since President Bush announced, shortly after 9/11, that the federal government had "no more important mission than protecting the homeland from future terrorist attacks." So how's he doing? Unfortunately, at this point the president gets only a D.

Why the harsh grade? Because Bush, while focused on military action abroad, has clearly muffed the job at home. In fact, the contrast between his domestic and international efforts could not be more striking. While energetic in waging war abroad, the Bush administration has been oddly lethargic in fortifying our defenses at home. Instead of leading the charge to revamp our domestic security agencies, for example, the administration consistently dragged its feet and brought up the rear. Instead of sparing no expense to make Americans safer, Bush's team cut taxes and begrudged our police, firefighters and other front-line defenders the resources they need to secure the home front. Instead of setting strategic priorities for homeland security, the White House advised Americans to stock up on duct tape and set up a color-coded alert system that has only spread alarm and confusion.

The Progressive Policy Institute recently examined seven categories and 28 subcategories of homeland security policies of the Bush administration. The results were put together in a 33-page report called "America at Risk: A Homeland Security Report Card" (available at www.ppionline.org). Letter grades were given to each subcategory (see box) based on analysis by PPI staff and discussion with outside experts and government employees. Grades were then weighted to reflect relative importance and averaged to create the final grades. And despite satisfactory performance in a handful of areas,

the administration's efforts to protect the homeland averaged out to a mere D.

It is clear that the Bush administration simply refuses to do what it takes to protect the homeland adequately. Though you wouldn't know it from the White House rhetoric, it is Congress that has shown the greatest initiative, resolve, and creativity in promoting a safer America. To be sure, Bush knows how to make people feel safer. His self-assured and encouraging words, combined with his shows of force abroad, have created the appearance of progress toward building a more secure country. And in a few areas, advances have been made. Airplanes and nuclear plants are safer—but airports and chemical plants are not. The Department of Homeland Security (DHS) has been created (despite Bush's initial objections) but its effectiveness is in doubt. Our ports and borders remain largely unprotected, and the federal government is failing in its mission to tighten up technology and procedures on passports and on visas issued to foreign visitors, and to track the hundreds of thousands of foreign students in the United States.

One of the administration's greatest failures is in coordinating intelligence that could prevent future attacks. This was the glaringly—and tragically—absent element before the 9/11 attacks. More than two years later, intelligence databases from various federal agencies are still not integrated to make them easily searchable. This failure is particularly galling because it is both the most important homeland security task and one of the easiest: Experts believe a system to integrate the dozen or so separate watch lists could be built in about a month.

Also vexing is the president's failure to adequately fund state and local efforts to fight terrorism. It is the first responders—



> **Shane Ham** is a senior policy analyst at the Progressive Policy Institute.

police and firefighters—who save lives and limit the damage after an attack and who are patrolling the streets to stop future attacks. Though national security is a federal responsibility, it is the cities that must spend \$70 million a week in overtime and other costs every time the White House raises the terror alert level from yellow to orange. The president's emphasis on reducing the size of the federal government has led him to treat governors and mayors like supplicants, rather than homeland defenders. As it stands today, our firefighters and police are doing their best to defend the homeland with insufficient manpower, equipment, training, and planning.

Why is the president taking such a haphazard approach to what he has called his most important mission? The simple answer is that his anti-terrorism focus is overseas rather than at home. Underlying that misdirected focus is a White House so fervently conservative that it is ideologically opposed to raising domestic spending or expanding the efforts of the federal government even in the name of self-defense. The result is an administration that pays lip service to homeland security but has so far done little to improve the safety of Americans.

Congress, by contrast, has seen the problem and begun taking action. All the momentum to create a DHS came from Democrats in Congress. Bush belatedly and reluctantly went along. Most of the heavy lifting in studying and analyzing the homeland security problem has been done by Congress—through the intelligence committees, the General Accounting Office, and the Joint Inquiry into the attacks.

Given the administration's dawdling on homeland security, it's important that Congress not falter in its diligence and oversight—despite new pressures to focus on and pay for the problems in Iraq. Congress should concentrate on three priorities:

First, Congress must continue its aggressive oversight of the administration's homeland security efforts. This should be done with an eye toward open-mindedness and pragmatism rather than politics. To date, members from both sides of the aisle have done very well in keeping politics out of homeland security oversight, resisting the urge either to score political points or to offer muted assent to the administration out of loyalty to the president. This intellectually honest approach is vital to homeland security improvements.

Second, Congress must develop an ongoing partnership between the federal government and state and local governments. This means going beyond merely funding grants for improving equipment or covering police overtime. Congress should press DHS to take more of a leadership role in coordinating intelligence and planning, and in responses to terrorist attacks.

Third, Congress must make the hard decisions to prioritize

Bush's Report Card

1. Improving Intelligence Gathering and Analysis	D
Coordinating Interagency Intelligence	C-
Integrating Terrorist Watch Lists	F
Developing Counterterrorism Database Systems	D+
2. Improving Security at the State and Local Level	D-
Completing a National Threat Assessment	F
Sharing Information with State and Local Gov'ts	D
Defining Role of State and Local Officials	D
Providing Financial Support for State and Local Gov'ts	D-
Boosting Citizen Preparedness	D+
3. Controlling the National Borders	D
Tracking Entry & Exit of Foreign Visitors and Students	D
Improving the Identification System	F
Improving Visa Issuance and Consular Services	D
Securing Ports of Entry	C
4. Protecting Critical Facilities	D+
Enhancing Aviation Security	C-
Passenger Security	B-
Baggage Security	C+
Personnel Security	D
Air Cargo Security	D-
Securing Nuclear Plants and Materials	C+
Nuclear Power Plant Security	A
Nuclear Material Security	D
Securing Chemical Production and Storage Facilities	D-
Boosting Cybersecurity	D+
5. Protecting against Bioterrorism Attacks	C
Developing Bioterrorism Countermeasures	C-
Expanding Health Care Surge Capacity	C
Updating Public Health Laws	C
6. Defending Civil Liberties and Privacy	C-
Detaining Suspected Terrorists	C-
Protecting Privacy	C
7. Managing the Improvement of Homeland Security	D+
Reorganizing the Federal Government	C-
Launching the Department of Homeland Security	C
Learning Lessons from Previous Attacks	F
OVERALL	D

necessary funding for homeland security. The temptation to bring home federal dollars will be even stronger, given the leverage that Capitol Hill will have over the White House with its huge spending request for Iraq. But we are in the midst of a major budget crisis, and tough choices will have to be made. Congress as a body needs to put the good of the nation first, giving priority to the most vulnerable areas and the programs that produce systemic upgrades to our public health and public safety infrastructures. Every dollar counts, and it will be up to Congress to get the most security for each one.

But Congress can only do so much. Bush must back his words with deeds by exercising leadership over the federal bureaucracy to accomplish the goals set by Congress. Tough-sounding speeches don't make the nation safer. It's time for the administration to act. ♦

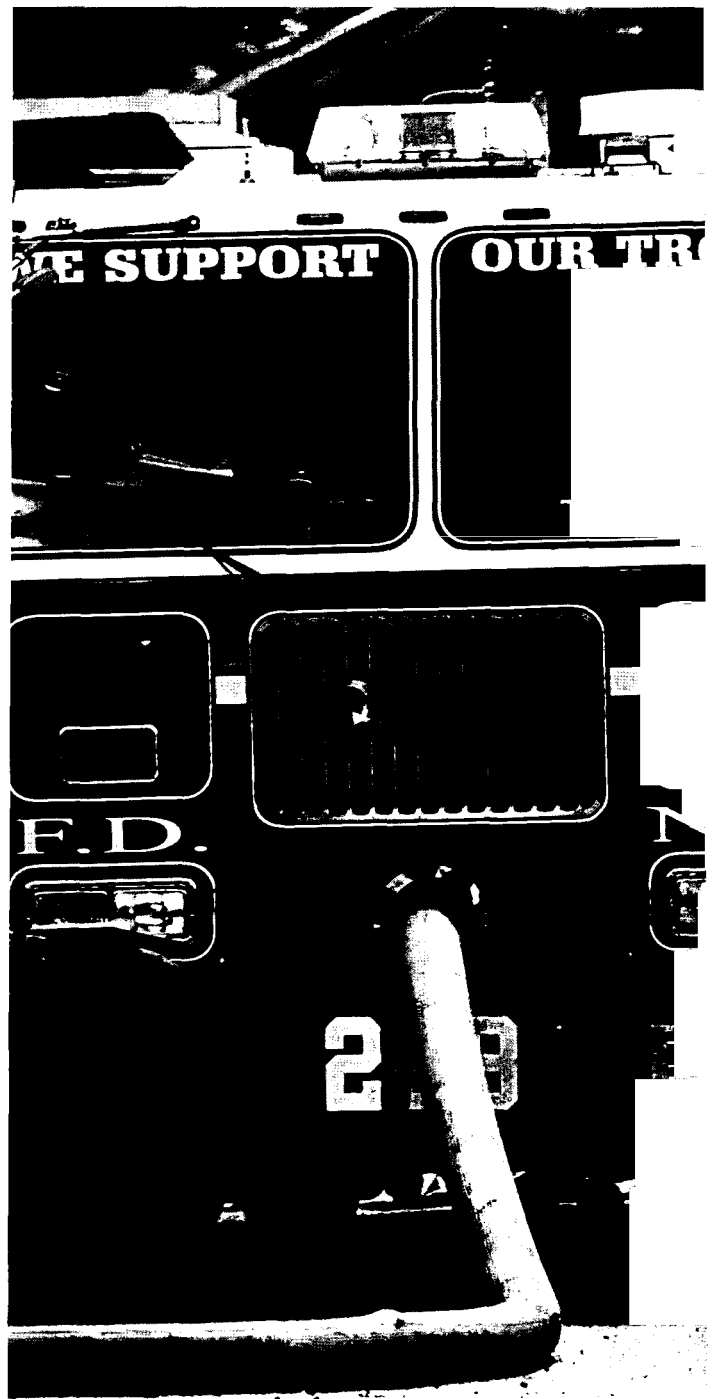
New York firefighters took a horrible hit on 9/11. They lost 343 lives and more than 4,000 collective years of experience. Yet today they don't feel any more secure or able to take on a terrorist attack. Firehouse closings and other cuts reflect a Republican administration's stinginess toward first responders. Emergency responder needs are being under-funded by \$98.4 billion over the next five years. No wonder the firefighters are fuming.

| *by* **Harry Siegel**

It's a steamy August night, and the mood inside a Brooklyn firehouse is as foul as the air outside. "A sick joke," shouts one fireman in response to a question about improved training for first responders since Sept. 11, 2001. "The last training I had was a half-day class in Staten Island—a joke—inside a classroom! The only thing it told you was how to be able to tell the type of problem you're in—HAZMAT incident, radiation exposure, terrorism, whatever—by the people dead around you. A whole mass of dead people means one sort of incident, scattered blistered or convulsing people another."

New York firefighters are in an ill temper two years after the worst emergency they've ever faced. Not only do they feel unprepared for another major terrorist attack, they feel as if they're worse off than before the World Trade Center came down. Funding is down (by 10 percent, a whopping \$100 million), personnel is down (more than 3,000 firefighters have left since 9/11 and have not been fully replaced), and, to hear the guys at the firehouse tell it, training sucks. "My brother on the police department's getting a lot more training," says another officer in the Brooklyn firehouse. "They can get all the training, but we're the ones who are going to be there when it happens. We're not going to be coming in after the dust clears—we're the first responders."

> **Harry Siegel** is a freelance writer based in New York City.



Are these guys just bellyaching, or is their discontent symptomatic of a larger homeland security problem in the nation? All the signs say it's the latter.

New York is certainly a fair testing ground of the country's current preparedness for another major terrorist attack. For starters, New York remains the most likely target. It is America's largest port, with the most airports, the most vulnerable bridges and tunnels, and plenty of tall buildings that would make



Unprepared *and* Mad as Hell

worldwide television footage if they were toppled. Perhaps more important, no city is more emblematic of American capitalism and the triumph of Western economic values. Clearly, New York needs to be girded for the worst, and yet it seems less prepared than before—thanks to federal neglect by the Bush administration and wrong-headed local choices by Mayor Michael Bloomberg's administration.

Eleven months after the attacks, McKinsey and Co., the consulting firm, presented the city with a report on the effectiveness of the response to the terror attacks. While noting that

some aspects of the operation were a success—police skillfully moved traffic away from the scene, the subways evacuated thousands from the city center, temporary morgues were quickly set up—the McKinsey report cited major failings in key areas: operations and preparedness, planning and management, technology, and support services. In the fire department, critical problems included the lack of a central command center, a lack of radio boosters, and insufficient training for catastrophic emergencies, especially the handling of hazardous materials. The report found an urgent need for the FDNY to upgrade

training, improve heavy rescue and marine capabilities, add a second HAZMAT unit, acquire radio repeaters and boosters, and develop a far more effective command-and-control structure. In addition, FDNY and NYPD—its jealous rival, the police department—need to strike a peace agreement and develop efficient ways of working together.

Thirteen months after the report's release, on the second anniversary of 9/11, none of these problems had been solved. Chief among the unmet needs is the city's failure to establish a second HAZMAT unit, which would cost the department about \$5 million a year. The existing HAZMAT unit is barely functioning; by late summer, 14 of its 35 positions were still unfilled. Reforms that have been attempted, such as joint operations between the fire and police forces, have traveled on very bumpy roads.

Indeed, New York firefighters feel that they're frozen in time—a time before 9/11. The city's leadership, abetted by a stingy Republican administration in Washington, has put its head in the sand, treating its first responders like any other stressed line item in a year of budgetary woes. As the Bloomberg City Hall wrestles with severe revenue shortfalls, it has chosen

to slash deeply into the FDNY's \$1.1 billion budget, closing six firefighting companies and three of the city's 207 firehouses. Two other firehouse closings were avoided only because of last-minute state funding. Forty-nine fire engine crews have been reduced from five to four firefighters. Two marshals' offices—marshals are the people who investigate the causes of fires, especially arson—have been closed.

Yet a big part of New York's travails don't start in New York. They come from the nation's capital, where the Bush administration has consistently refused to step up to the financial plate when it comes to funding homeland security, especially first responders. Hamstrung by its own insistence on reckless tax cuts that are starving the federal budget, the Bush government has talked one game—"We'll protect Americans"—but played another—"We can't afford it."

Firefighters and union leaders vividly remember Bush putting his arm around a firefighter and pledging support at Ground Zero shortly after 9/11. Now they point out that in his first two years in office, the president's budgets included zero funding for the FIRE Act, which provides block grants for equipment and training—the two most urgent needs in



FROZEN IN TIME: Firefighters hats and coats at Engine Co. 23 in Manhattan. The company lost eight men at the World Trade Center. Today's firemen see their department as stuck in a time warp before 9/11.

the firefighting world today. For fiscal year 2004, Congress pushed through \$900 million in FIRE Act grants, but the Bush administration budget only called for spending \$500 million of those funds.

"We watched the president at one of the most horrific moments in the country's history," says Harold Schaitberger, general president of the International Association of Fire Fighters, "standing on that pile of debris and putting his arms around a retired New York firefighter, and heard ... how he was going to lead the attack against terror and provide safety at home. But in meaningful terms—staffing and money—he has clearly been unable or unwilling to follow through on that rhetoric. We are still not providing training for the very incidents we are telling the American people to be prepared for. We've been betrayed. As president, on behalf of the nation's firefighters, Bush has failed."

In total, the federal government is underfunding emergency responder needs by \$98.4 billion over five years, according to estimates in a Council on Foreign Relations report released in June. In New York City alone, a request for \$250 million in federal funds has thus far elicited only \$22 million from Washington. In addition, the Bush administration has famously shifted the tax burdens and revenue shortfalls caused by 9/11 and the recession away from Washington and to the states. And when it does make grants to the states and cities, the Bush administration treats cities with the kind of hold-your-nose suspicion Republican administrations have historically reserved for urban areas. For example, it has promised roughly \$10 per person to Wyoming but only \$1.40 per person to New York City, the nation's most likely terrorist target.

In short, the Bush administration's approach to homeland security has been to make training and equipping first responders for a terrorist threat an unfunded mandate for states, cities, and fire departments nationwide, especially in high-risk areas like New York City. The states, in particular, are left holding the bag.

Meanwhile, back at the Brooklyn firehouse, the fallout from these policy choices is apparent in the fiery words around the kitchen table. "We're totally unprepared," growls one young fireman between stabs at his steak. "They've done d--- to train us. The top chiefs let the department down and also let the city down. They can say they didn't get the money to do it—I don't care. They just didn't get it done. ... I think about it all the time. Who knows? I don't think I'm ready if it's a chemical attack. Firemen fight fires—that's what we do. And no one has trained us to handle a chemical attack or a 50-story building collapsing."

The firemen's frustration, say department leaders, stems in part from a misunderstanding of what useful training really

is. After all, one of the key conclusions of the McKinsey report was that too many firemen rushed into the World Trade Center towers without knowing what was happening, where to go, or what to do. Slowing down to analyze the problem—the very techniques taught in the Staten Island classroom training—is a key tool in handling future terrorist attacks, says department spokesman Francis X. Gribbon. "A great deal of training consists of making clear to firefighters that they must slow down, must not rush into danger, must wait until special units come in. It's a different world now, and our men must proceed with caution. Firefighters rush into danger,

☼ The Bush administration's approach to **homeland security** has been to make **training** and **equipping** first responders for a terrorist threat an **unfunded mandate** for states, cities, and **fire departments** nationwide.☼

even—no, especially—on 9/11. The first lesson to be learned is that some caution must be observed: to stop and observe the signs."

Yet the Bush and Bloomberg administrations' parsimonious approach to funding, training, and hiring flies in the face of another key problem now faced by the FDNY: the experience gap. Sept. 11 not only cost 343 firemen's lives; it cost the department more than 4,000 collective years of experience. In addition, the trauma and danger accelerated retirements of 2,348 firefighters and the disability status of another 1,000. More than one in five firemen has left the force in the past two years—more than twice the normal attrition rate—leaving the city with a somewhat smaller and far less experienced force. According to the Uniformed Fire Officers Association, the experience of lieutenants has gone down, from 20.4 years to 14.8 years; that of captains from 24.4 to 19.9; and that of battalion chiefs from 28.7 to 25.4.

"The fire department is 99 percent experience-driven," comments the youngest fireman in the Brooklyn firehouse. "What you do today is built on what you did yesterday. When guys reach a scene, and there's a question of chain of command, the questions are: How many fires in your career? How many fires of the same kind as this one? The less experience a fireman has, the less resources he has when fighting a fire."

A warm rain is now falling outside the firehouse. The guys around the table have vented their frustrations, but don't feel much relief. One shakes his head and says, "I don't know if I'm prepared for a terror attack. I don't think so. If an arsonist lit a house on fire, the New York City Fire Department is prepared. But if someone put chemicals in the water ... if there's a car accident, we can get people out of cars, but if there's a HAZMAT condition, and if it comes down to individual firehouses and firemen ..."

Then the alarm sounds and the men suit up and rush out into the heat and rain, leaving their half-eaten steaks behind. ♦

Tax cuts and jobs

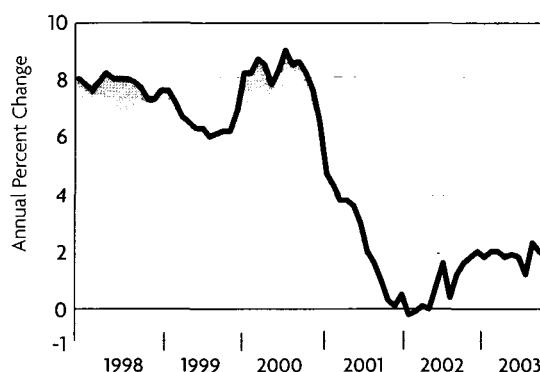
Despite a fast-growth quarter, the job market is still fragile.

by **Jeff Lemieux**

For three years running, President Bush has claimed that tax cuts would create millions of jobs. Even last February, the president's Council of Economic Advisers made the very specific claim that another round of tax cuts would create 510,000 additional jobs by the end of 2003, and another 891,000 in 2004. That was on top of the roughly 3 million to 4 million jobs the administration's experts figured would be created even without the new tax cuts.

Congress enacted the tax cuts, right on schedule. High-income taxpayers got an accelerated tax break; middle-class taxpayers with children got several hundred dollars in rebate checks; business tax cuts were extended; the tax rate on dividends was slashed to 15 percent. In total, Congress cut revenues by \$60 billion in 2003, \$150 bil-

Figure 1.
Growth in Wages and Salaries



SOURCE: Bureau of Economic Analysis

lion in 2004, and \$80 billion in 2005. But the job market has remained weak.

Wage and salary growth is very slow—about 2 percent a year (*Figure 1*).

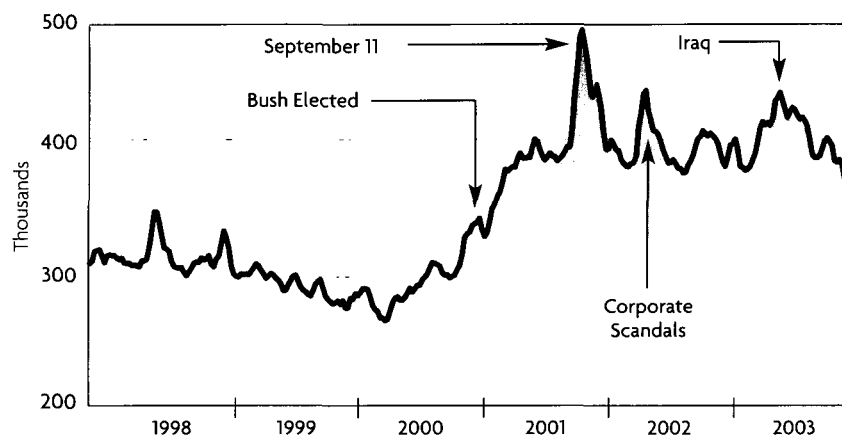
Meanwhile, new unemployment claims have remained steady, just under 400,000 a week, a rate that is consistent with only small gains in jobs (*Figure 2*).

Finally, the labor force participation rate is still falling (*Figure 3*). If workers were encouraged by their job prospects, they would be returning to the workforce. But that isn't happening. Students are staying in school; older workers are retiring early.

It's true that employment is a lagging indicator—companies will only begin hiring in large numbers when they are sure the economic recovery is robust, and enduring.

Therefore, the question is: Is the recovery robust and enduring? The answer seems to be "not yet."

Figure 2.
Initial Unemployment Claims



SOURCE: Bureau of Labor Statistics

> **Jeff Lemieux** is senior economist at the Progressive Policy Institute and executive director of *Centrists.Org*.

On the one hand, GDP growth was a decent 3.3 percent in the 2nd quarter, and the 3rd quarter hit a stunning 7.2 percent.

However, much of this growth was fueled by temporary tax cuts. For example, total personal income in the economy grew by \$190 billion between January and August of 2003. Of that, only \$70 billion was wages and salaries. Yet personal consumption expenditures rose by a whopping \$310 billion during the same period.

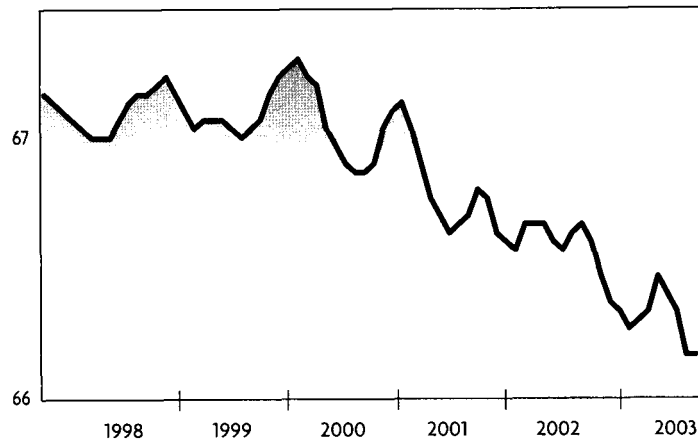
How could that happen? Because of the tax cuts. Tax collections fell by \$138 billion between January and August. That allowed people to spend more even if their earnings weren't growing. By contrast, tax collections jumped in September, and consumption fell.

Businesses know that the economy is still being propped up by tax cuts and very low interest rates. Hiring is still modest because firms still aren't sure the recent economic gains can be sustained.

One silver lining may be the rise of self-employment. Economists use the large survey of business establishments to measure payroll jobs. Jobs have fallen by 225,000 since January 2003. But when the government surveys households, more people say they are working. (The household survey is much smaller and subject to considerable random fluctuation, see *Figure 4*.)

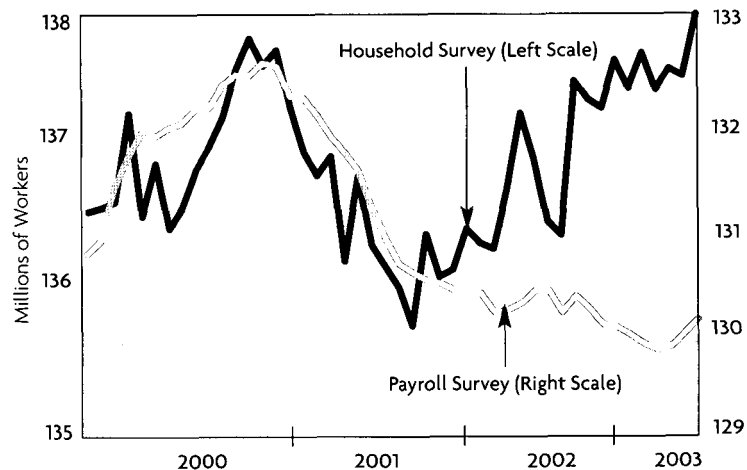
We don't know why the household and payroll data diverged in 2003. One reason may be that people are losing their second and third jobs. That would show up

Figure 3.
Labor Force Participation Rate
(Percentage of Population Holding or Seeking Jobs)



SOURCE: Bureau of Labor Statistics

Figure 4.
Jobs: Payroll vs. Household Survey



SOURCE: Bureau of Labor Statistics

as job reductions, but from a worker's point of view, he or she was still (at least partially) employed.

Another reason might be involuntary self-employment. When businesses don't offer jobs, unemployed people may go into business for themselves. ♦

Seizing the cultural center

It's a safe bet that next year's presidential election will turn on voters' anxieties about war, terrorism, and the uncertain economy. But there's also a third political dimension that Democrats neglect at their peril: cultural values.

To deny President Bush a second term, Democrats will need a new strategy for seizing the cultural center.

In 2000, Democrats got wiped out among white males and did poorly among voters who were married with kids, attended religious services frequently, or owned guns. Al Gore's tone-deaf emphasis on economic populism did little to belie the GOP caricature of Democrats as a party of bicoastal elites and moral relativists who look down on people of faith (a majority of Americans), see gun owners as rustic primitives, find patriotism distasteful, and have scant sympathy for parents competing with a powerful pop culture to mold their children's values.

In the 2002 midterm elections, exit polls also showed a persistent "culture gap"—even after the shock of 9/11 thrust national security back into the center of U.S. politics.

How can Democrats turn the tables on values? Choosing the right presidential nominee would help. Though deemed callow by political elites, George W. Bush received an immeasurable boost in 2000 because many heartland voters saw him as a straight shooter who was "one of us." Democrats need to pick a 2004 standard bearer who is comfortable with middle America, and vice versa.

Beyond that, the party needs to stop avoiding the tricky terrain of moral values and cultural identity. If Democrats fail to spell out clearly where they stand on questions of national strength and security, the role of religion in public life, guns, and the morally corrosive effects of media sex and violence—they will allow their opponents to paint on a blank canvas. Deluged for decades with GOP disinformation, voters will assume the worst, unless Democrats set them straight.

Here, then, are three simple rules for how Democrats can craft a winning message on values:

First, defend America's social progress. Democrats need to remind voters which party progressively extended full citizenship to minorities, women, and immigrants, as well as the poor—and which party bitterly resisted these social advances. Democrats should make it clear that they aren't going back on their fundamental commitment to equal rights, tolerance, and social inclusion, and they're not going to let the Republicans take the country back to the bad old days.

Second, embrace "values centrism." Democrats should

avoid polarizing the electorate around contentious social issues. The public dislikes culture warriors and is apt to punish the party that starts the fight—think impeachment. Sure, strident "us versus them" rhetoric energizes your base. But it also galvanizes your opponents while repelling moderates who might otherwise be open to your views on other issues. By offering them reasoned argu-

ments rather than ridicule, Democrats can peel off a small but significant slice of these "cultural swing voters."

President Clinton showed us how. He did better than Gore among white men and other GOP-leaning groups, without sacrificing any progressive principle. While staunchly pro-choice, for example, Clinton's call for making abortion "safe, legal, and rare" acknowledged the moral qualms of abortion foes. And, rather than defend controversial racial preference programs down the line, Clinton, an unwavering champion of civil rights, probably strengthened affirmative action by adopting a "mend it, don't end it" approach. By affirming the right to own guns, he opened the door to a conversation about the responsibilities of those who make, sell, and own guns.

Clinton and another Southern Democrat, Jimmy Carter, also showed Democrats that it's possible to mix religion and politics in a benign and even uplifting way. Reflecting a long American tradition of "civic deism," both liberally sprinkled their speeches with Biblical references without violating the cardinal rule that government does not support a particular religion.

Third, Democrats should pound away at GOP hypocrisy and extremism on cultural issues. The Bush administration's bid to pack the federal courts with right-wing judges, its opposition to stem cell research (which promises new treatments and even cures for chronic diseases), its cynical efforts to steer federal funds to conservative congregations under the guise of the president's "faith-based initiative"—all this is fair game. And Democrats need not accept lectures on morality from a party that includes compulsive gambler Bill Bennett, drug addicted demagogue Rush Limbaugh, and California "groper-nator" Arnold Schwarzenegger.

No matter how heated the debates over war and the economy, values will clearly matter in the next election. It's time for Democrats to get out of their defensive crouch, define themselves on values questions, and expose the GOP's growing cultural extremism. ♦

► Will Marshall is president of the Progressive Policy Institute.

Worse than corruption

by **Fred Siegel** || If two new books on New England cities are any indication, social engineering did far more damage to America's municipalities than even high levels of corruption. Douglas Rae's *CITY: Urbanism and Its End* is a masterfully wrought, thoroughly readable academic account of the rise and fall of 20th century New Haven. The central figure in Rae's book is the now-forgotten Richard Lee, who in the 1950s and 1960s was an eight-term mayor who made his city into "a showcase for imaginative

solutions to urban problems." Mike Stanton, an award-winning journalist, has written *The Prince of Providence: The True Story of Buddy Cianci, America's Most Notorious Mayor, Some Wiseguys, and the Feds*. As the title indicates this is mostly a colorful cops and robbers story with Cianci and associates in the role of the robbers.

On the face of it, you might think that New Haven would be the success story and Providence the failure, but it's quite the reverse. Despite their famous universities—Yale and Brown respectively—both were industrial cities decimated by the manufacturing collapse of the 1970s. New Haven has never recovered from the combination of Lee's mayoralty and industrial decline. But Providence, the long-time mafia capital of "Rogue Island," has become a model of the new urbanism.

Rae is a Yale professor who knew Lee. The first half of his book mixes interviews and a personal narrative with analysis,

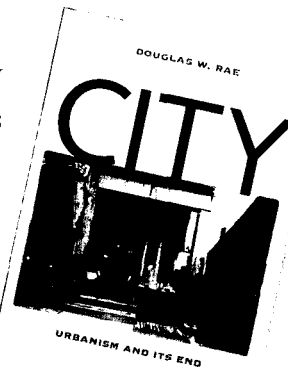
and describes the rich texture of New Haven life before World War I. It was a city of small manufacturers, neighborhood grocery stores, and civic and religious organizations, which gave the city of 170,000 people a dynamism that dominated its suburban and rural surroundings. But as the city's manufacturing sector weakened in the 1920s and 1930s, as trucks and the electric grid dispersed manufacturing, its slow decline was given an unintentional push,

Rae shows, by three New Deal developments: 1) the redlining of stable neighborhoods with an older housing stock; 2) the concentrated poverty produced by federally funded public housing; and 3) urban renewal. "New Haven," notes Rae, "pursued urban renewal more vigorously, more ingeniously, and more expensively (per capita), than any other city in the country."

Lee first won office in 1953 by defeating a standpat incumbent named William Celantano who emphasized

core city services. Celantano described Lee's redevelopment plans to counteract the long-term trends running against New Haven as "ridiculous ... unrealistic" and beyond the capacities of local government. He later proved to be right. But Lee, a combination of glad-handing Irish pol and policy wonk who charmed the Yale faculty, brought energy and an extraordinary staff to the task of renewing New Haven. He left basic services to his machine friends (who delivered them poorly) while he created a parallel government for redevelopment that employed legendary urban planners Ed Logue and Mitchell Sviridoff (they would go on to help set national policy).

Rae mocks Logue's unaccountable redevelopment operations center as the local "Kremlin." New Haven had "pioneered nearly every program in the Great Society's lexicon." When LBJ handed out money for his Model Cities program, Lee's New Haven was hailed by Labor Secretary Willard Wirtz as "the greatest success in the history of the world." New Haven, it was argued, was creating "a slumless city" by clearing away destitute neighborhoods. In retrospect, this was an enormous mistake. Lee had cleared away vital



CITY: Urbanism and Its End

by Douglas W. Rae •
Yale University Press •
512 pp. • \$30.00



THE PRINCE OF PROVIDENCE:

The True Story of Buddy Cianci, America's Most Notorious Mayor, Some Wiseguys, and the Feds
by Mike Stanton •
Random House • 442 pp. •
\$25.95

ethnic neighborhoods like the heavily Italian and Jewish Oak Street area and replaced them with massive concrete demonstration projects like the downtown Coliseum that quickly turned into a white elephant.

Rae inexplicably exculpates Lee of responsibility for the disaster by arguing that the mayor "had set himself against history." True enough, but like future New York mayor John Lindsay, upon whom he was an enormous influence, Lee had taken a bad situation and made it far worse. He had destroyed much of the remaining fabric of city life by tearing down the old housing stock that would become the key to the subsequent urban revival elsewhere.

A good example is Providence. Mired in petty politics at best, the Rhode Island capital never suffered such depredations. Its leaders were far too unimaginative to do anything so destructive. The lofts and 19th-century industrial buildings that make the city so appealing today were left largely untouched by the wrecking ball. Stanton is more repulsed than fascinated by the larger-than-life Cianci, a six-term Italian-American mayor who marketed his own marinara sauce and ran with the celebs.

Cianci was first elected in 1973 as a Republican reformer but he already had ties with low-life characters like "Buckles" and "Black Jack" who were busy shaking down merchants and contractors and stealing asphalt while creating no-show jobs.

The shame of Stanton's book is that he spends so much time on the misdeeds of Cianci and company that we don't know how much credit the mayor deserves for the creation of a vital "downcity" (as the locals call their downtown) filled with artists' lofts, cafés, and a bustling nightlife. Cianci, a one-time rising star of the Republican Party, friend of President Ford, and a supposed comer in national politics, did a great job of bringing in federal money to reshape the waterfront and open it up to recreation. And he was an energetic booster. Now, however, the former mayor is serving time in a federal penitentiary for racketeering.

Civic togetherness

> by **Marc Magee** || Has America's civic life lost the vitality it once had? Over the past decade there has been an explosion of essays, books, reports, and academic projects on this topic that has resulted in, for the social sciences, a surprisingly definitive answer: Yes. Americans today are less likely to vote, be involved in civic groups, participate in public affairs, or even spend time with neighbors than in past generations (particularly the "Greatest Generation," which fought in World War II). Having

spent much of the 1990s documenting this decline, academics, policymakers, and political commentators have shifted to a stickier question: What might it take to reverse this trend and bring more Americans together as active participants in their own communities?

While Robert D. Putnam, a professor at Harvard University, and New Hampshire Charitable Foundation President Lewis M. Feldstein were putting the finishing touches on their new book, *Better Together: Restoring the American Community*, some Internet-savvy youth were busy providing an answer of their own: flash mobs.

Communicating through email, flash



BETTER TOGETHER:
Restoring the American Community
by Robert D. Putnam and Lewis M. Feldstein • Simon & Schuster • 336 pp. • \$26.95

mob organizers helped bring together hundreds of people to briefly interact in a public space—and just as quickly depart. The first such flash mob was held in June in New York City; 200 people amassed

But the high taxes needed to pay for his "thugs" and his "pay to play" approach of bribes and shakedowns to city projects seem to have driven away a good many businesses. Much of the revival was the work of historical preservationists who saw early on that the city's charm and the artists at The Rhode Island College of Design could be a match worth making. In a revealing 1991 episode, Arnold "Buff" Chace, one of the WASPs Cianci hated as a member of "the lucky sperm club," brought famed new urbanist Andres Duany to Providence to show how the city could remake abandoned industrial lofts into artists' studios. But when Chace, strung along by the city,

approached the Providence economic development director to find out why the city was delaying approval, he was told: "Well, Buff, the mayor is trying to decide whether to f--- you or not."

In the long run, what made the difference between New Haven and Providence hasn't been the tides of history, but luck and hubris. It may be too much to ask, but one can only imagine a brighter future if our cities manage to play to their strengths and effectively deliver basic services at a reasonable price. In retrospect, there was something to be said for the William Celantanos of the cities. ♦

> **Fred Siegel** is culture editor of BLUEPRINT.

for 10 minutes on the ninth floor of Macy's department store to discuss the merits of the store's carpets. Soon afterward, flash mobs appeared in other cities. In San Francisco, for example, hundreds gathered for a game of duck-duck-goose on the Golden Gate Bridge. As one participant described the gathering: "We have protests in San Francisco all the time. The whole point of this is that there is no point."

In their own ridiculous way, these flash mobs drive home a critical point: In the search for a revival of America's civic life, what people do in the public sphere is as important as the fact that they are doing it together.

Readers will not find stories of flash mobs playing duck-duck-goose in Putnam and Feldstein's *Better Together*, but they will find a surprisingly eclectic mix of organizations that the authors present as examples of an overall effort to create "new forms of community, adapted to the conditions and needs of our time."

Each of the book's 12 chapters is devoted to the story of a different exercise in community building. In Los Angeles, an evangelical Christian megachurch turns its crowd of 45,000 visitors

builders themselves—into the performances.

As a guide for using community-building techniques to improve one's organization or civic project, this book serves its purpose well—it offers readers a dozen well-researched and well-written examples of how to encourage the formation of productive social ties. How-

❧ Rather than Putnam and Feldstein's **self-conscious** strategy for investing in **greater levels** of social **connectedness**, why not work toward increasing the **involvement of citizens** in the key public **challenges** their country and their communities face?⁹⁹

ever, read in the larger context of the effort to restore the vitality of American civic life, the book falls a bit short.

Like the flash mobs of 2003, Putnam and Feldstein's overriding focus on novel ways to generate social connections ends up making the creation of these social ties an end in itself. Indeed, the authors seem to lose sight of an essential point about the Greatest Generation, which they and others have identified as the high-water mark for civic engagement—that the strong sense of community held by that generation was created by working together as citizens to accomplish great things.

That insight raises some key questions

❧ Putnam and Feldstein's overriding focus on **novel ways** to generate **social connections** ends up making the creation of these **social ties** an end in itself.⁹⁹

into a congregation of committed members through the organization of hundreds of small study groups focused on encouraging social interaction. In Boston, organizers succeed in unionizing Harvard's research assistants through the use of one-on-one conversations and the patient development of personal relationships. In Portsmouth, N.H., a two-year effort seeks to lower the social barriers between shipyard workers and the community's artists through an interpretive dance festival that integrates the various actions of building a ship—and the ship-

for public officials and policymakers. Rather than Putnam and Feldstein's self-conscious strategy for investing in greater levels of social connectedness, why not work toward increasing the involvement of citizens in the key public challenges their country and their communities face, knowing that a revitalized civic spirit could be the happy byproduct of such an effort?

This approach would point toward a set of civic projects overlooked by Putnam and Feldstein in *Better Together*. With U.S. Armed Forces stretched thin in Afghanistan and Iraq, America's national

leadership could take advantage of the military's new 18-month enlistment program to bring a new generation of citizen soldiers into service to share the burden of self-defense. With international terrorists determined to put America's communities on the front lines, national, state, and local authorities could scale up the fledgling AmeriCorps homeland security efforts to

bring community members together in emergency preparedness education programs, Citizen Emergency Response Teams (CERT), police and fire department support projects, and disaster emergency planning. Finally, as policymakers confront other public challenges, such as the coming wave of baby boomer retirements, they could look first to civic programs that expand the opportunities for citizens themselves to work together to solve critical public problems.

In his 1995 article, "Bowling Alone," and the 2000 book of the same name, Putnam played a crucial role in lifting the veil on the huge social and political problem of declining civic engagement. However, in the shift from documenting the decline to highlighting ways to reverse this trend, Putnam and Feldstein's *Better Together*

serves mostly as a cautionary tale for how much more difficult the latter can be. By ignoring the most compelling reasons Americans have to work together as citizens in favor of more deliberative community building strategies, they end up defining down the civic agenda they profess to support. That weakens the case for a public policy focused on the civic health of the nation. ♦

➤ **Marc Magee** is the director of the Center for Civic Enterprise at the Progressive Policy Institute.

Zell bent

by **Ed Kilgore** || In the large community of people who have worked for, supported, and admired U.S. Sen. Zell Miller of Georgia as a distinguished, long-time stalwart Democratic elected official, the burning question during the last three years has been: "What in God's name is

he doing?" From his decision to become an original cosponsor of both of George W. Bush's tax cut bills, through his steady devolution into a reliable Senate vote for Republican legislation generally, Miller has repeatedly stunned old friends in Georgia who know him as the most jaundiced of yellow-dog Southern Democrats.

The estrangement of Miller from his Democratic past has now been completed by his recent endorsement of Bush for re-election, and his publication of a book being widely hailed by Republicans as an obituary for the southern wing of the Democratic Party.

But to long-time Miller-watchers, this book provides a pretty clear explanation of what in God's name Zell has been doing. He doesn't really hate the Democratic Party. He hates the cynical, elitist Washington political culture he's experienced since his appointment to the U.S. Senate in 1999, and which he identifies with the national Democratic Party. The tragedy of *A National Party No More* is that Miller has let his pique lead him into a tight alliance with the real party of power and elitism in Washington, the GOP.

As Miller's federal-state relations director from 1992 to 1994, I got plenty of exposure to his political skills and policy innovations, especially in education and economic development. But on our trips to Washington, he was a different man: tense, defensive, and eager to leave as soon as possible. In every meeting with a Washington potentate, you could almost see the thought bubble over Miller's head: *That sumbitch thinks he's smarter than me.* As a fellow cracker

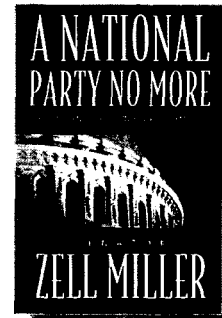
with Appalachian roots, I understood the chip he carried on his shoulder in Washington. And that's why I was completely baffled, like many of his Georgia friends, by his decision to accept a Senate appointment.

The disconnect between Miller's careers in Atlanta and in Washington is amply illustrated by this book. The first half is a wonderfully written autobiography of his political career in Georgia. Time after time, he stresses his progressive accomplishments as a state legislator, as a high-ranking staffer in three administrations, as lieutenant governor, and as governor. He regrets, with admirable sincerity, his few, early, politically-driven excursions into political reaction, especially on civil rights. Of an egregious comparison he made of President Lyndon B. Johnson with "a mess of dark porridge," he now writes that "they were the words of ... a political weakling, but not a racist."

The next section of the book lays out Miller's current thinking on a wide range of issues: equal opportunity, education, economics, crime, taxes, abortion, national security, and even the arts and the impact of music on early childhood development. Most of Miller's agenda is vastly more consistent with the New Democrat point of view than with that of his new Republican friends.

Several chapters lash both parties for the characteristic sins of Washington's political culture: campaign financing, subservience to interest groups, unwillingness to compromise, and the Senate rules allowing filibusters to frustrate majority opinion.

Miller makes an occasional, if half-



A NATIONAL PARTY NO MORE:
The Conscience
of a Conservative
Democrat.

by Zell Miller •
Stroud & Hall •
237 pp • \$24.95.

hearted, attempt to claim that Democrats are more culpable than Republicans on these political sins, but most are no more compelling than his assertion that right-wing interest groups are "content to hide under the radar."

And finally, Miller praises the presidential campaigns of Jimmy Carter in 1976 and of Bill Clinton in 1992 and 1996 as reflecting the values-focused, commonsense, centrist Democratic Party that he and other southerners can support.

When did Democrats go left and go wrong, according to this account? Basically, when Zell Miller went to Washington. That coincidence suggests that Miller's abandonment of his party was caused more by his reaction to the Beltway culture than by any abandonment of the political center by Democrats.

The main ideological rationales for Miller's lurch toward the GOP in this book involve taxes and national security. Miller says Democrats should not be allergic to tax cuts. Like many Republicans, he cites John F. Kennedy's across-the-board tax reductions (without acknowledging that the top marginal tax rate in Kennedy's day was 75 percent). In supporting Bush's tax agenda, he does not mention that Bill Clinton, Al Gore, and several of today's leading Democratic presidential candidates have advocated tax cuts targeted to the middle class and

Continued on page 44

The two sides of Dick Morris

by **Ed Kilgore** || My first personal exposure to Dick Morris was in the summer of 1996, when, as President Clinton's top political strategist, he was in the season of his greatest ascent to power and his imminent fall from grace. At an issues seminar for Democratic elected officials, Morris performed

much like a rock star: showing up late, launching a high-speed rap on where Democrats should position themselves on a wide range of issues, and then leaving as quickly as he arrived. Morris' impact was unforgettable and unmistakable, in good and bad respects.

Even though I agreed with much of what Morris told this audience of Democrats, when he left, I turned to the person next to me and said: "Can you smell the brimstone?"

That turned out to be a fairly representative reaction, among New Democrats and Clinton loyalists, to Dick Morris' role in the Clinton political saga. There's no question that Morris played a key role in Clinton's response to the 1994 Republican Revolution. He pivoted from a defensive reaction to an aggressive centrist political agenda that addressed voters' concerns about the Democratic Party on crime, welfare, the federal budget, and other values issues. This strategy painted the GOP into an extremist corner and helped pave the way for Clinton's smashing re-election in 1996.

But media accounts of Morris' doctrine of "triangulation" (urging Clinton to distinguish himself from congressional Democrats as well as congressional Republicans) portrayed him as arrogant and cynical. That image helped both Republicans and Democratic leftists dismiss the New Democrat movement and its international Third Way counterparts as purveyors of a deceptive marketing strategy rather than a principled new progressive ideology.

Morris' post-Clinton resurrection as a political pundit for Rupert Murdoch's media empire (Fox News commentator and New York Post columnist) has not

done much for the balance between brilliance and brimstone in Morris' arsenal. Two books by Morris illustrate his two sides and his apparent sad devolution from strategist to schlockmeister.

Power Plays (first published in 2002 and now out in paperback) is a sweeping review of key moments in American (and occasionally European and Japanese) presidential politics. It is organized around Morris' assessment of successful and unsuccessful examples of six perennial strategies: Stand on Principle; Triangulate; Divide and Conquer; Reform Your Own Party; Use a New Technology; and Mobilizing the Nation in Times of Crisis.

In the course of this book, Morris manages to make extensive comments, always substantive and occasionally very insightful, about the political strategies of American politicians from Abraham Lincoln to George W. Bush. Lincoln, for example, is treated as a successful example of two strategies: Stand on Principle and Divide and Conquer. Woodrow Wilson is shown as a failure in pursuing the former strategy, and Thomas Dewey as an unsuccessful example of the latter. Roosevelt is a successful example of Use a New Technology, Nixon of Divide and Conquer, Reagan of Stand on Principle. Examples of unsuccessful strategies are Johnson on Mobilizing the Nation, McGovern on Stand on Principle, and Rockefeller on Triangulate.

I could offer many quibbles about Morris' analysis of political events, especially his overemphasis on the importance of television in the 1960 and 1964 presidential elections. But *Power Plays* is good and informative reading, with relatively little of the famous Morris overstatement and arrogance. In advancing his most ques-



tionable hypothesis—that Lincoln deliberately sacrificed his 1858 Senate race to Stephen Douglas in order to engineer a national Democratic split over slavery in 1860—Morris acknowledges and weighs evidence to the contrary.

For New Democrats, the most gratifying section of *Power Plays* involves his discussion of Clinton's approach to triangulation, where Morris makes it clear that the strategy does not involve appropriation of the other party's policies. "The essence of triangulation is to use your party's solutions to solve the other side's problems. Use your tools to fix their car." Clinton, Morris shows, adopted the long-standing conservative goal of welfare reform as a top item on the Democratic agenda, but developed progressive policies, including higher funding for child care and stronger financial support for working families, to pursue that goal.

Perhaps the least perceptive piece of *Power Plays* is Morris' prediction that George W. Bush would be a successful triangulator as well. Morris' bullish assessment of Bush in *Power Plays* provides a nice transition to his new book, *Off With Their Heads*. This dubious work has clearly been packaged to tap into the lucrative right-wing political book market, despite content that occasionally strays into criticism of Republicans and their corporate constituencies.

The incoherence of *Off With Their Heads* is fully illustrated by Morris' introduction. First, it tells us the book is about

those American “political, journalistic and cultural leaders who have mounted a campaign to oppose and impede the war on terror.” Then it says “we must be equally alert to threats that may seem secondary to the war on terror.” Finally and more accurately, the introduction concludes that the book will target “people, forces, and institutions that make me mad.”

This last category ranges all over the lot, from a tedious and moot indictment of the deposed Howell Raines regime at The New York Times, to a shooting-fish-in-the-barrel attack on stupid things said by Hollywood figures about 9/11 and Iraq. It includes a jingoistic attack on the French and waltzes over to completely non-germane assaults on greedy nursing home operators and state government misappropriations of tobacco settlement funds.

The best chapter of *Off With Their Heads* is on the protect-the-incumbent redistricting trend that has made the House of Representatives so unrepresentative. The most offensive feature of the book is the tone of moral high dudgeon Morris incongruously adopts toward his targets. It's about as credible as a book by Madonna attacking entertainment figures for exploiting sex and trendy fashions. And that's why the worst chapter of this book is Morris' extended argument that Clinton deliberately avoided action against the terrorist networks that struck America on 9/11, a conscious contribution to the ongoing right-wing effort to exculpate Bush and the Republican Party for its own shortcomings in the war on terror. Aside from the breathtaking ingratitude of Morris toward the man whose campaign



OFF WITH THEIR HEADS: Traitors, Crooks & Obstructionists in American Politics, Media & Business

by Dick Morris •
Regan Books •
368 pp. • \$24.95

made him rich and famous, the author has the temerity to judge Clinton morally. He writes:

“At his core, Bill Clinton is a moral relativist. Things are not black and white to the former president; nor do they easily divide into good and evil. Whether facing partisan adversaries or foreign opponents, Clinton could always see the other side's point of view and make allowances for its conduct. Where George W. Bush sees absolutes, Clinton sees complexity.”

And Dick Morris sees dollar signs.

Can you smell the brimstone? ♦

Zell bent

Continued from page 42

to economically productive business investment. Oddly enough, for a self-proclaimed centrist, Miller's main rationale for a big tax cut echoes the “starve the beast” theory of Republican libertarians: tax cuts indirectly force a smaller government.

But it's on national security, and specifically homeland security, that Miller says Democratic positions represented the “straw that broke the camel's back.” In the beginning, middle, and end of the book, he rages about the efforts of Senate Democrats to amend the bill creating a Department of Homeland Security to protect public employee rights. He says that's what beat his Georgia Senate colleague Max Cleland in 2002, and that's why he stopped attending Democratic Caucus meetings. Miller's arguments have merit, but the glaring omission in his account is his failure to acknowledge that the whole idea of a homeland security department was created and advanced by Senate Democrats, against Bush administration opposition, until

the president suddenly shifted positions and co-opted the Lieberman-Graham legislation, finally taking credit for the whole enterprise.

That's an example of Miller's bent in the few sections of this book that really justify its title, his apostasy from the Democratic Party, and the lavish praise it receives from the rogue's gallery of Republican politicians and pundits featured in the jacket blurbs and the book-selling campaign. Most of the GOP hacks who may make *A National Party No More* the latest right-wing bestseller probably have not read the book, do not support much of Miller's own agenda, and are light years away from understanding the hard-scrabble populism that enlivened his political career.

Sadly, Miller's perverse and premature endorsement of Bush, and his adoption by the right-wing media machine, will all but guarantee that few if any Democrats will pay attention to the nuggets of sound advice he offers his party. Most of the book simply warns Democrats that they cannot remain competitive in the South if they abandon traditional party commitments to mainstream cultural views and to the eco-

nomic aspirations of the middle class. He repeatedly praises the Democratic Leadership Council for offering the right advice to Democrats, even as he endorses Bush administration positions on economic, fiscal, and foreign policies that the DLC consistently opposes. At a time when centrist Democrats are fighting insidious claims that its positions are no more than Bush Lite, Miller offers Bush Heavy as an alternative.

It didn't have to be that way, had this Appalachian version of Mr. Smith refused an appointment to come to Washington. In the first chapter of *A National Party No More*, Miller compares himself to Jimmy Stewart's Mr. Smith, and sadly says: “What I discovered in Washington was truth, and truth did not set me free. It simply made me mad.”

That's vintage Zell, but he's got it backward: He came to Washington and got mad, and his anger has bent him against the real truth, and driven him into the arms of people with little but contempt for his old-fashioned Democratic values. ♦

Ed Kilgore is policy director of the DLC and a senior editor of BLUEPRINT.

Spurring the carbon market

When he was running for president, George W. Bush pledged to combat global warming by curbing emissions of greenhouse gases, such as carbon dioxide. But since he won the White House, his administration has fought all congressional efforts to do anything meaningful about greenhouse gases. Instead,

the administration has turned its back on one of the major environmental struggles of our time. In addition, it has left many businesses—which fully expect greenhouse gases to be systematically controlled someday—uncertain about future regulations.

Without a federal mandate, any coordinated national effort to reduce greenhouse gas emissions is next to impossible. But in some cases, local and state governments have tried to pick up the slack. A particularly innovative example is the newly formed Chicago Climate Exchange (CCX), a collaborative effort among private companies, nonprofit organizations, and local government. Together, they are filling President Bush's leadership gap by creating a "cap-and-trade" system for carbon dioxide emissions.

The CCX initiative is the brainchild of Northwestern University's Richard Sandor, an expert on applying the principles of commodity trading to new fields—such as the environment. Sandor modeled CCX on a similar U.S. Environmental Protection Agency cap-and-trade program that was designed to reduce electric utility emissions linked to acid rain.

The principle of cap-and-trade programs is that government regulations limit the total amount of pollution that industries are allowed to emit, but do not dictate the specific means by which companies must comply with the overall goal. Instead, regulators give companies greenhouse gas emissions allowances, which they may trade with other companies. Those that are able to control their emissions cheaply can sell their leftover allowances to companies that are not. Emissions assume a commercial value just like a commodity; the market then provides incentives for companies to invest in new, environmentally friendly production technologies and processes.

What matters in a cap-and-trade system is that industry as a whole finds a way to live under its emissions cap. Which companies manage to reduce their emissions—and how they go about doing it—is less important.

The EPA's acid rain program focuses on sulfur dioxide emissions. By creating a \$5 billion annual trading market in emission allowances, it has succeeded in slashing levels of sulfur dioxide at a lower cost than traditional command-and-control regulatory methods that force companies to comply with specific technical guidelines for controlling emissions.

Under that mandatory program, companies are only required to report their emissions levels accurately to the EPA and demonstrate that their emissions are equal to their allowances. Chicago's new CCX program aims to have similar success with carbon dioxide.

Some of the nation's largest greenhouse gas emitters—including Dupont Co., American Electric Power Co., Ford Motor Co., and Motorola Inc.—joined with the city of Chicago to establish CCX last January. Trading was set to begin in the fall of 2003. Funded through \$1.1 million in grants from the Chicago-based Joyce Foundation, CCX expects to have roughly two dozen participants when trading begins. The participants pledged that by 2006 they would reduce their emissions by 4 percent from the average levels they produced between 1998 and 2001.

Congress is considering several options for expanding the cap-and-trade program for carbon dioxide on a national scale—including a proposal I introduced with Sens. Lincoln Chafee (R-R.I.), Judd Gregg (R-N.H.), and Lamar Alexander (R-Tenn.). But the current climate in Washington, fueled by Bush's reluctance to do anything about global warming, makes enacting any such proposal an uphill battle.

That's why programs like Chicago's—and others in development across the country—are so important. Some environmental groups criticize CCX, saying it's no substitute for a mandatory federal program. But in reality the exchange will help ease the transition to a nationwide cap-and-trade system by establishing a viable regional market for carbon transactions.

The program should also prove environmentally beneficial to Chicago and the Midwest. The city hopes to generate excess carbon credits by retrofitting city-owned and -managed properties to save more energy, purchasing a new fleet of hybrid vehicles, and increasing the share of the city's energy that is generated through renewable power sources.

Farmers and foresters could also benefit from the exchange. Many farmers are positioned to offset much of the country's greenhouse gas emissions through so-called "carbon sequestration" activities that increase the natural ability of crops and trees to store greenhouse gases instead of releasing them into the atmosphere. Polluting companies can buy farmers' sequestration credits, which will help to offset their emissions, turning carbon into a valuable cash crop.

The CCX program looks to be a winner for Chicago, businesses, farmers, and the environment. Other locales and financial centers would be wise to follow its example. ♦

► Sen. Tom Carper (D-Del.) is the DLC Chair for Best Practices.

The great Texas power grab

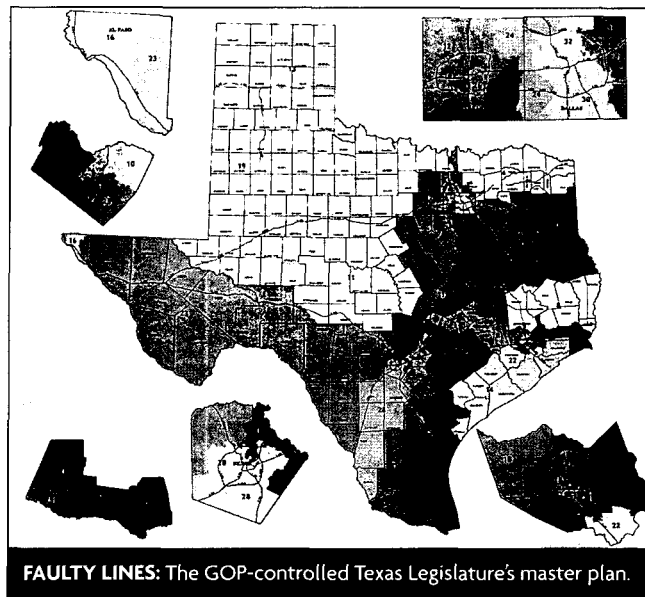
And now for the legal phase of the re-redistricting saga. > by **Randolph Court**

It's off to court they go. After a protracted standoff in the Texas Legislature, the state's Republicans succeeded in October in ramming through a new redistricting scheme to shift at least five and as many as seven congressional seats to the GOP. They were egged on from afar by fellow Texan Tom "The Hammer" DeLay, the U.S. House majority leader. Now Democrats and an array of citizens' groups are arguing in a lawsuit that the whole plan is a scam.

Experts think the outcome of the legal battle will have serious political implications for the rest of the country. At issue are specific questions about whether the Republican plan violates the Voting Rights Act or the U.S. Constitution's equal protection clause. But an even more fundamental question is whether a legislature can redraw congressional district lines at its whim, instead of once every 10 years after the U.S. census.

That's the real heart of the controversy in the GOP's great Texas power grab: not the fact that it took some ugly hardball politics to produce the new map, but the fact that the plan represents the state's second congressional redistricting in two years. District lines were first redrawn in 2001 by a three-judge panel when the divided legislature failed to produce a plan (a common occurrence).

But after Republicans won control of both chambers of the state legislature in the 2002 elections, they began pressing for a re-redistricting on the dubious grounds that the court-drawn map was illegitimate. They fumed that Democrats shouldn't hold a 17-15 majority in the congressional delegation of an otherwise Republican-dominated state. And with newfound control in Austin, what was to stop them from making things right? "The legislature certainly has the authority to take up redistricting every other week if they want to," claims State Rep. Phil King, author of the re-redistricting plan.



A similar story has been unfolding in Colorado.

If these re-redistricting schemes are upheld, some legal scholars and political experts believe the congressional redistricting process will devolve into a near-perpetual circus that revs up every time a legislature changes hands.

American politics has already been marred in recent years by the psychology of the permanent campaign: If you don't like what happened in an election, find some back-door way to overturn the result—such as a recall election or open-ended independent counsel investigations. Perpetual congressional redistricting fights could take us another step closer to political perdition. ♦

PLAYbook

A menu of ideas for state and local elected officials.

Defining Budget Priorities

NEW DEM PLAY || Start the budget process by first defining government priorities

WHERE IT'S WORKING || Washington, New Mexico, and Iowa

PLAYERS || State and local officials

Policymakers can make budget problems worse than they already are by focusing on the wrong thing—program costs—instead of what citizens care most about, results.

It is especially easy for policymakers to get caught up in the costs of things when they start the budgeting process by trying

to reconcile previous years' budget levels with new revenue forecasts. Then they begin fitting square pegs into round holes by cutting off corners.

But some states are now moving toward a more results-oriented method. They start by identifying taxpayers' highest priorities. Then they consider how

to produce the maximum possible results with the revenue they have available.

In Washington State, Gov. Gary Locke dubbed the process "Priorities of Government." Lawmakers there dug themselves out of a \$2 billion hole. ♦

Read more on NDOL.org. Click "State and Local Playbook."

A conversation with...

Mark Warner >> On Improving Education in Tough Economic Times

Virginia Gov. Mark Warner took office in January 2001 facing a \$3.8 billion budget shortfall that quickly grew to \$6 billion in the declining economy of 2002. He has confronted the deficit by aggressively cutting government spending. But he has managed to protect funding for education. In fact, Warner has rolled out a broad package of new education initiatives called "Education for a Lifetime," adding \$80 million to the state's education budget so far in his term, and committing to add another \$525 million in the next biennium. A former investment banker, Warner says he expects those investments to produce measurable payoffs.

BP > How can you justify spending any new money on education right now?

Warner: I use a business analogy: Great companies distinguish themselves during tough times. They do two things: One, they cut, streamline, and economize. We've done that in Virginia. We've not only cut \$6 billion, but we're using this as a chance to reform every part of state government, from how it uses information technology services, to its vehicle fleet management. But at the same time, great companies invest in their core asset, and in Virginia our core assets are people and their ability to compete in a knowledge-based economy.

BP > How did you decide which initiatives to include in your Education for a Lifetime package?

Warner: There are a couple of things that are key to each of them: They are all reforms that enhance educational accountability, and most of them are self-financing, in that they can save the state money, usually with a defined pay-back period.

BP > What's an example of the payoff?

Warner: More important than any other factor in a child's educational success, other than the family, is a good-

quality teacher. But 50 percent of all young teachers leave the profession within the first five years, and that number goes up in hard-to-staff urban and rural schools. It costs, on average, about a third of the total salary and benefits to replace a teacher—about \$10,000 in Virginia. So we are putting in place a mentoring system targeting 1,500 first-year teachers in hard-to-staff schools. If we can cut their attrition rate from 50 percent to 25 percent—so 375 teachers leave, instead of 750—we'd save the state around \$3.75 million. And the initiative itself only costs about \$1.5 million.

BP > Your senior-year reforms for high schoolers have captured a lot of attention.

Warner: Too often, the senior year of high school is the most wasted year in a young person's education. So we want to offer two alternatives. One is for those students not going on to higher education. We want to enter into a contract at the end of their junior year that says, "Choose an industry-level certification and we will work with you to get that certification and your high school diploma, even if it takes classes at a community college after you have graduated high school." We're going to guarantee up to a semester of community college as long as they finish their industry certification by the end of the calendar year in which they graduate.

These certifications will take a high school diploma that earns about \$22,000 a year, and raise that person's immediate earning power and job prospects by about \$8,000 to \$10,000. The state has the potential of picking up anywhere from \$300 to \$500 in community college costs per student, but we're going to more than recoup that by the additional earning power of that student within the first year or two of work.

For those students going on to college, we want to offer the chance to earn a full semester's worth of college credit.

If that student graduates [college] in seven semesters instead of eight, they save the family, on average, about \$5,000 in tuition, room, and board. We also hope it will help alleviate the overcrowding problem in our colleges and universities. And we can save tax dollars, because state subsidies are about \$3,000 per student per semester in tax credits. This saves the parents, it saves the state, and hopefully makes the senior year of high school a more meaningful experience.

BP > Beyond aiming for tangible returns on the state's investments, have you used other business ideas?

Warner: The concept of turn-around specialists. We want to recruit ten principals and give them educational and business training, the idea being that a great principal is probably the single most important individual in the performance of the school. These principals would go into consistently low-performing schools with increased powers in terms of hiring and firing.

BP > Those sound like good business plans. But how will you verify that the overall education budget is in fact well spent?

Warner: We spend about \$9 billion a year on our 1.2 million students in public education. In any enterprise of that size, I'm sure there are dollars that are not well spent. So we're borrowing from the Texas model, where the state comptroller used management and audit specialists to go in and review school divisions. We're going to try that in Virginia, starting with three school divisions—one urban, one rural, and one suburban. We're going to make these reviews available to policymakers, school boards, local elected officials, and the public at large. ♦

For more on Gov. Warner's education reform package, go to: www.governor.virginia.gov/Initiatives/Ed4Life.

► Every Friday on NDOL.org

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the

How to Hold Schools Accountable

The concept of accountability is at the center of efforts to improve the performance of U.S. public schools. In fact, the motivating idea of the federal No Child Left Behind Act is to hold public schools serving disadvantaged kids accountable for higher standards of performance. One of the strongest arguments against the voucher proposals that Republicans are forever promoting is that private schools receiving public money under such schemes are not asked to accept accountability or transparency for the successes or failures they deliver in exchange for public support. And by the same token, one of the strongest arguments for expanding charter public schools is that along with greater educational customization, and more quality options for low-income parents, they are required to enter into a performance contract—or “charter”—that makes accountability to the public central to their mission.

But real accountability for public schools means having clearly defined expectations and an honest system for measuring whether expectations are met—a system that is supervised by public officials who are themselves accountable for schools’ success or failure. In both respects, Indianapolis’ New Democrat Mayor Bart Peterson is providing critical national leadership.

Peterson recently released a report on the performance of the first three charter public schools he authorized in 2001 after Indiana enacted a state law that made him the only mayor in the country authorized to charter schools. Peterson has made it clear that these performance reviews will determine whether or not he will renew charters once their initial term has expired.

Peterson’s “2003 Accountability Report” was based on expert reviews of the three schools in four key areas:

Academic performance. The report measures students’ progress in reading, math, and language compared to national standards.

Parental and staff feedback. Reviewers conduct an independent, confidential survey of parents, teachers, and school staff about their level of satisfaction with the schools.

School site visits. Experts visit the schools twice during the year to observe classrooms and to conduct focus groups of students, parents, teachers, and administrators as a means of gathering information on key aspects of school performance that cannot be captured by testing.

Financial management and governance. An accounting firm conducts an extensive review of the schools’ financial condition, while the mayor’s office does its own review of school management and governance.

The 2003 Indianapolis report is different from what often passes for public reporting about educational results in states and cities around the country.

“When I granted these charters,” said Peterson, “I made it clear that I intend to hold charter schools accountable for achieving results for our children. Since charter schools are public schools, the people of Indianapolis need to know how well they are performing.”

Indeed, states and school boards around the country should take a look at Peterson’s system and consider not only emulating it for charter public schools, but for all public schools. ♦

Idea of the Week is a regular feature in the Democratic Leadership Council’s “New Dem Daily,” which is published online at www.NDOL.org and is available by email.

BOOKS >>

TERRORISTS, DESPOTS, AND DEMOCRACY: What Our Children Need to Know

Thomas B. Fordham
Foundation • 108 pp. • \$10

How do we explain an era of suicide bombers, weapons of mass destruction, and wars to children? Twenty-nine leading educators and public policy thinkers delve into that uncomfortable question in a new anthology published by the Fordham Foundation. Contributing authors include conservatives such as Lynne Cheney and William Bennett, center-left voices such as University of Maryland professor William Galston and the Progressive Policy Institute’s Andrew Rotherham (both contributors to *BLUEPRINT*), along with cultural critics such as Richard Rodriguez.

The anthology is partly a response to a post-9/11 teaching trend that, according to Fordham President Chester E. Finn Jr., has been “long on multiculturalism, feelings, relativism, and tolerance but short on history, civics, and patriotism.” That emphasis, writes Finn, “mirrors neither the values held by most Americans nor the innate love of democracy—and sense of accuracy and fair play—that animates most teachers.”

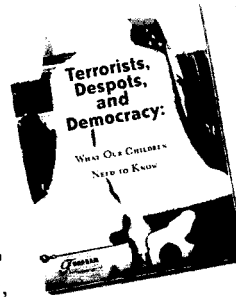
The anthology asks if we are adequately preparing young people for a life of engaged citizenship in a representative democracy.

Some contributors argue that the basis of true civic and historical education is knowledge—which requires an understanding of nettlesome things like facts, dates, principles, and key episodes in history. The volume concludes with a group of essays—followed by a full appendix—offering teachers a guide to some important historical documents and issues facing the global community today.

While the anthology is not specifically prescriptive, it provides an analytical framework to help young people digest and interpret traumatic political events. ♦

Where to get it: www.edexcellence.net.

—Eben Gilfenbaum



A watershed for generations to come

Mayor Shirley Franklin is cleaning up Atlanta's sewers—and a whole lot more. ➤ by **Rob Lott**

In the late 1990s, Atlanta earned the unfortunate reputation of having some of the nation's dirtiest waterways. Like many other cities across the country, its water infrastructure had been steadily deteriorating. Aging sewer systems were spewing so much pollution into local streams and rivers that the U.S. Environmental Protection Agency, the state's Environmental Protection Division, and an advocacy group called the Chattahoochee River Keeper sued Atlanta for violations of the federal Clean Water Act. The city settled the suit in 1998, agreeing to upgrade its sewers.

But rather than just to meet the court's minimum requirements, Atlanta has instead embarked on a broad new water management strategy that may serve as a model for other cities. City officials thoroughly examined the problem—taking into account quality of life, projected economic growth, and the city's relationship with its downstream neighbors—and decided it would be in Atlanta's long-term best interest to better manage the entire region's watershed.

Mayor Shirley Franklin took up the challenge by setting a goal to make Atlanta's waterways the cleanest in the nation within a decade. Calling herself the nation's "sewer mayor," she unveiled a comprehensive program last year called Clean Water Atlanta. The initiative aims to control everything from the sources of pollution, to the systems that handle waste, to the water quality of the streams and rivers into which runoff ultimately flows.

"It doesn't do you any good to clean up the waterways if you are not also protecting them," said Janet Ward, an official with Clean Water Atlanta.

To stop downstream pollution, the city has begun to separate the physical systems that handle storm runoff from those that handle wastewater. Much of Atlanta's problem stems from the fact that large sections of the two systems are

combined. So when the flow is too great—as it can be during a heavy rainstorm—the runoff, waste and all, is discharged directly into local streams. The 1998 settlement mandates that the two systems be 90 percent separated by 2007. The improvements are projected to reduce instances of sewer overflow from a current average of 300 times a year to 16. The city intends to have the two systems entirely separated by 2025.

With comprehensive structural improvements under way, Franklin's next goal is bureaucratic reorganization. She

entering the waterways in the first place. The Greenway Acquisition Project, for example, acquires land along riverbanks in order to limit development. That cuts down on the creation of new pollutants near the water and creates a natural buffer that keeps pollutant-heavy runoff from finding its way into the city's streams.

Finally, the Clean Water Atlanta initiative has created a long-term monitoring program with the U.S. Geological Survey, public health experts, and environmental scientists to regularly evaluate water quality at 40 sites across the region.

Franklin's efforts reflect a broader movement to modernize the first generation of air- and water-quality regulations that were enacted in the early 1970s. The 1972 Clean Water Act, which was largely successful in its time, focused regulation on so-called "point sources"—anything through which pollution enters a waterway, such as drainpipes or man-made ditches.

But, like the water infrastructure it helped to create, that regulatory framework is showing its age. Pollution does not enter waterways in a few discrete places; the sources are more diffused. Failing sewer systems, fertilizers, timber operations, and oil-contaminated storm water are all culprits. In fact, the EPA estimates that, absent repairs, upgrades, and more systematic approaches to water quality management, the country may lose the environmental gains it has achieved since the passage of the Clean Water Act 30 years ago.

Under prodding by Franklin, Atlanta is already ahead of schedule in implementing many of its projects. Although cost has some people concerned—the whole project has an estimated price tag of \$3.5 billion—the mayor argues that the city will not shirk its responsibility. She recently wrote, "Atlanta not only has to fix its sewer system—it wants to." ♦



"SEWER MAYOR": Shirley Franklin.

has brought together under a new Watershed Management Department officials who oversee the city's drinking water, storm overflow, and waste systems. Now, where three bodies once worked independently of one another with no cooperation, Atlanta now has a single agency accountable for all water-quality issues.

Within that department is a new public storm-water agency that aims to provide a consistent revenue stream for the upkeep and improvement of the storm-water sewer system. Meanwhile, with two-thirds of all pollution coming from storm runoff, the new agency is taking a step back to examine methods for keeping that runoff from directly

Forgers' nightmare

Oklahoma's new digital driver's licenses cut off an avenue for fraud. > by **Rob Lott**

High crimes and misdemeanors—from terrorist plots to underage drinking—often start with perpetrators scrounging fake identification cards. So when Oklahoma Gov. Brad Henry became the first citizen in his state to receive a digital driver's license last summer, he was ushering in a new, more frustrating era for criminals.

Oklahoma's new IDs use state-of-the-art security measures to curtail fraud and identity theft. Previously, Oklahoma was one of only four states in the nation still relying on traditional film-based driver's license photos. The old system wasn't computerized, so officials in charge of issuing licenses had a hard time verifying that a person applying for a license didn't already have another one under another name. And it wasn't terribly difficult for forgers to make their own IDs.



But Oklahoma's new system is designed to raise the bar out of forgers' and scam artists' reach. The licenses use digital photos, along with technologies such as electronic finger scans, which are more complete and accurate than common ink-on-skin fingerprints. All of that information is stored in a database that officials can search to confirm one person doesn't have multiple identities. And the technology involved is too sophisticated for people to knock off easily.

Such digital identification systems are an important advance—and technology exists today that could further reduce crimes associated with identity theft. For example, the Progressive Policy Institute has recommended that states move toward a new generation of “smart” ID cards. Already in use for some military personnel, smart cards have built-in computer chips that are extremely hard for criminals to hack and are capable of storing large amounts of information. A single card could replace the stacks of plastic people now carry in their wallets, from identification to ATM and credit cards.

Because credit fraud is often the main aim of identity thieves, a secure system that tightly links people's credit accounts to their true identities can only be a bad thing for criminals. ♦

Nothing but DEFAC

In Delaware, a nonpartisan commission does all the budget forecasting. > by **Rob Lott**

You can't balance your budget unless you know how much money you have. That is a lesson so basic it almost goes without saying. But in government, it is not always easy to agree on a fiscal projection. Executive and legislative branches both tend to rely on their own forecasters—and Republican and Democratic partisans have incentives to trumpet different sets of numbers in order to bolster the case for their own policy agendas. So in state houses across the country, as each new budget season rolls around, divergent forecasts can cause heated debate, and sometimes protracted political standoffs.

Delaware's fiscal managers have found a way around that problem by relying on forecasts provided by an independent,

nonpartisan commission called the Delaware Economic and Financial Advisory Council (DEFAC). “It's kept the state budget and revenue process out of political bargaining,” says Delaware Deputy State Treasurer Anne Visalli.

DEFAC is composed of 36 advisers from both the public and private sectors. The group works to analyze and re-evaluate the budget on a regular basis, taking into account the constantly changing economic factors affecting the state's projected revenues and expenditures. It meets six times a year. An early session establishes the estimates lawmakers use to begin crafting a budget. In subsequent meetings, the council re-evaluates its estimates. It releases a final set of numbers before the end of the legislative session,

so lawmakers can make necessary adjustments to the budget before passing it.

Created in 1977 by Gov. Pete DuPont, and recently recommissioned by Gov. Ruth Ann Minner, DEFAC's nonpartisan makeup has helped ensure the integrity of its forecasts. Both the governor's office and the state legislature accept its numbers without question.

Like other states, Delaware has not been immune from the effects of economic slumps. But DEFAC has helped the state avoid disasters. “Not only does it help us foresee what is coming down the road, it also helps us react more quickly,” Visalli says. In the current slowdown, she notes that Delaware has not had to make significant cuts in any important state services. ♦

Electoral SNAPSHOT

► The Mystery of Faith

In the wake of the 2000 elections, when exit polls for the first time made it possible to cross-tabulate people's religious habits with their voting preferences, some political analysts looked at the data and concluded that President Clinton's personal scandals must have given religiously observant people extra motivation to get out and vote for Republicans. Those analysts claimed that outrage at Clinton explained why religiously observant people accounted for 45 percent of all voters in 2000—and why they chose Republican congressional candidates by a decisive 17-point margin.

But recently released exit polls from the 2002 elections refute that claim. The new numbers show that religiously observant people were just as likely to turn out and vote for Republicans, even with Clinton out of office.

Yet the numbers may also provide hope for Democrats: In both 2000 and 2002, six in 10 religiously observant people identified themselves as moderates or liberals. The new polls also revealed another reason for hope: In 2002, the party improved its standing among white Catholics. That's especially significant since Catholics split from other white Christians,

who voted more heavily Republican in 2002 than 2000. Such a split is unusual, even among the most dissimilar groups.

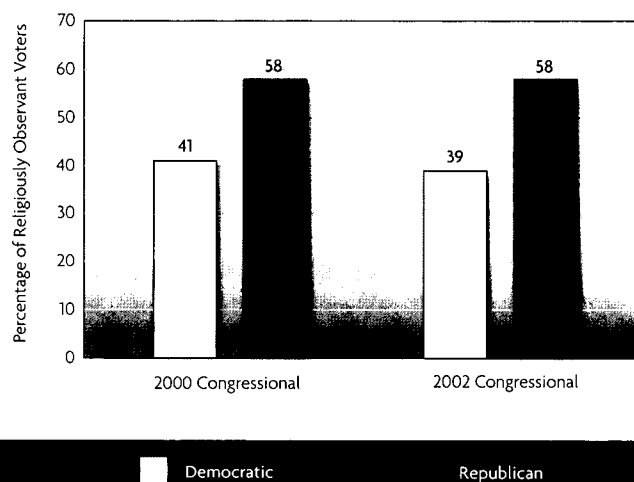
A split among religious voters who President Bush counts as his base could spell trouble for his reelection bid if it means that in the process of pleasing one group (such as the religious right) he inadvertently offends another. But whatever the explanation for the split, the rise in

support for Democrats among white Catholics demonstrates that it's possible for Democrats to become more competitive among religious voters. Democratic gains among Catholics may be particularly significant in 2004 because they represent a disproportionate percentage of voters in critical swing states like Pennsylvania, Wisconsin, and Ohio. ♦

—Victoria Lynch

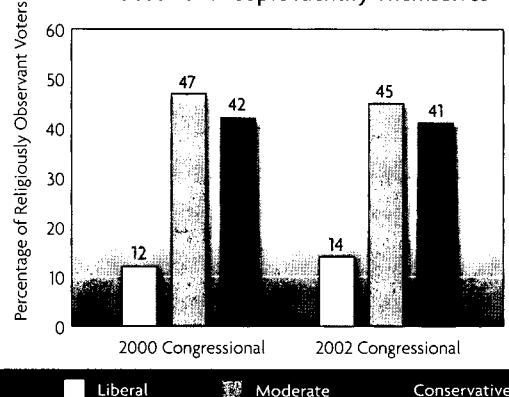
Steady Divide

How Religiously Observant People Voted in 2000 and 2002



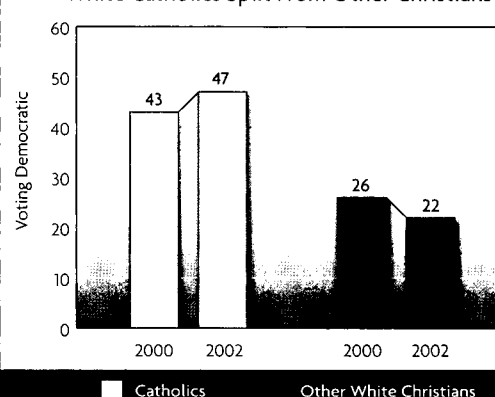
Moderate Plurality

How Observant People Identify Themselves



Religious Divide?

White Catholics Split From Other Christians





The courage to reform

Is the well-funded Republican message machine doing in the Democrats? I don't think so.

To be sure, one reason the Republicans now dominate both the state and national political scenes is that voters believe they have a clearer vision for our country's future than the Democrats.

But that's less the result of the conservative message machine than of the perception Americans have about how the two parties stand toward government. Simply put, voters believe Democrats stand for more government, Republicans for less. The role of government is, I believe, the most potent but underappreciated cultural issue in American politics.

Conventional wisdom has it that the Republican advantage comes from the party's vast, well-funded networks of think tanks that constantly produce new ideas, and from communications entities that flood the media with conservative propaganda.

Democrats, the conventional wisdom goes, lack both the new ideas and the message machine to get them across. With that analysis, the solution is obvious. Democrats need to come up with some big ideas and do a better job of communicating them.

Few people value ideas in politics more than I do. Democrats need as many new ideas as they can develop. A progressive alternative to that pill-popping pariah, Rush Limbaugh, would be terrific. But I don't think the Democrats are losing the message war because of either the Republican message machine or a Democratic dearth of good ideas. Those are just excuses.

Republicans do spend hundreds of millions of dollars every year on think tanks, but they're not getting much for their money. Republicans haven't had a new idea in decades. They just come back every year with another version of the one idea they have—a big tax cut, usually for the wealthy.

Their vaunted message machine is great at running up the score against weak opposition. As long as Democrats offer little more than a collection of interest group demands, the GOP will dominate the debate. But the message machine can't prop up President Bush's record, no matter how hard it tries. Even during impeachment, President Clinton had little trouble driving the issues ball into the Republicans' end zone when he pushed his New Democrat agenda.

Nor are the Democrats out of ideas. We have plenty of them. The 2003 New Democrats' Declaration (BLUEPRINT, Volume 2003, No. 4) has dozens of good, new ideas—nearly every one of which has found its way into at least one of this

year's presidential campaigns.

So the answer for Democrats is not to go on a snipe hunt for a silver bullet idea that will turn American politics around. It's for the Democrats to be a party of reform, as they were during the Clinton years.

Since Ronald Reagan was president, Republicans have called for lower taxes, less government, and more defense spending. Every time they offer a tax cut, they reinforce that message and play to the voters' natural skepticism toward government.

Voters see Democrats as the party of big government. That image is reinforced when their most vocal interest groups constantly clamor for more spending or when their new ideas offer a government program for every problem.

I'm not suggesting that Democrats join the GOP anti-government chorus. They should champion government reform. Still, we believe in activist government. Government, after all, is the agent of our collective will. But, in the information age, activist government needs to be empowering, not big and bureaucratic. Clinton had it right: He said the era of big government was over and made welfare reform and reinventing government the cornerstones of his presidency.

The bottom line is this: To win the battle of ideas and to return to national power next year, Democrats need to become once again the party of innovation, progress, and reform.

For a constituency-based party like ours, that's hard. Particularly during the nominating process—where powerful interest groups demand 100 percent fealty to their causes—it's easier for our candidates to tell them what they want to hear instead of what they need to hear.

It takes courage to talk about expanding trade before a labor audience, or cutting corporate welfare before business leaders, or slashing agriculture subsidies before a group of farmers, or funding for Iraq before peace activists, or modernizing Social Security before seniors, or charter schools and standards and accountability before a group of teachers.

But the courage to talk about those and other reforms is exactly what our party needs. If voters are limited to a choice between more government and less government, they're likely to choose less government. So we need to make the choice one between leading American forward and leading it backward. Elections are about the future, and voters are likely to choose innovation, progress, and reform over less government every time. ♦

➤ **Al From** is founder and CEO of the Democratic Leadership Council.

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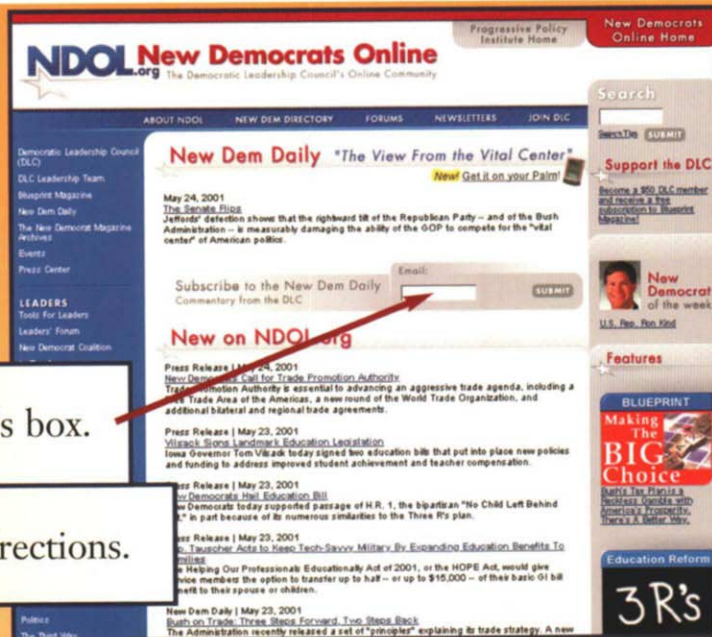
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